

FINANCIAL TIMES

Mercedes
Small cars,
big risks

Top temps
Filling short-term
executive slots



Inner Mongolia
The new king
of cashmere



Weekend FT
When nationalism
turns nasty

World Business Newspaper <http://www.ft.com> FRIDAY AUGUST 9 1996

Yeltsin blamed as troops battle to regain Grozny

A ferocious counter-offensive by Russian troops against hundreds of Chechen separatist fighters who had infiltrated Grozny, the devastated regional capital, left scores of casualties. The renewed conflict in the southern Russian region sparked bitter recriminations in Moscow on the eve of President Boris Yeltsin's inauguration. Gennady Zyuganov (left), Communist party leader and defeated presidential candidate, criticised the security services for failing to prevent the rebels' infiltration, but held Mr Yeltsin ultimately responsible. Page 12; Editorial Comment, Page 11

Czech bank collapses: The Czech Republic suffered its biggest banking collapse when the central bank closed Kreditni Banka, the country's sixth-largest bank, with losses estimated at Kč12bn (\$450m). Page 2

Israeli minister quits: Israel's justice minister, Ya'akov Ne'eman, resigned in the face of a police investigation. Page 4

German bank drops 39%: Bankgesellschaft Berlin ended the run of sharply higher German bank results with the announcement of a 39 per cent drop in profits to DM310m (\$209m), caused in part by heavy investments in computer systems. Page 13

SocGen raises Croxy Securities stakes: French banking group Société Générale is to take a majority stake in investment bank Croxy Securities to form a new Asian brokerage and corporate finance institution. Page 18

Germany and Denmark consider links: Denmark and Germany shortlisted five options for the proposed bridge or tunnel link across the Fehmarn Belt, the strait between northern Germany and the southernmost tip of Denmark. Page 2

Kodak seeks Fujif probe: Eastman Kodak of the US filed a complaint with the Japan Fair Trade Commission seeking an investigation into alleged anti-competitive practices by Kodak's main international rival, Fujif of Japan. Page 5

Concern stays over Procter & Gamble: US consumer goods company Procter & Gamble produced a 17 per cent increase in fourth-quarter net profits to \$554m, but the figure failed to quell investor concerns about the company's short-term growth prospects. Page 13

US expects to reverse tourism decline: Travel to the US is expected to grow by between 3 and 4 per cent a year over the next four years compared with a decline of 3 per cent in 1995, the US Commerce Department said. Page 5

Argentina in grip of strikes: A 24-hour general strike brought Argentina to near standstill as police clashed with marchers protesting against an economic policy they blame for recession and record unemployment. Page 14

UK raids tied to copper probes: Police and fraud investigators searched houses in southern England in their inquiry into the world copper market after Japan's Sumitomo scandal, the UK Serious Fraud Office said.

India sets up self-off panel: India set up a panel of financial experts to advise on share sales in state-controlled companies in a move seen as an intention to step up its privatisation programme. Page 6

Violence threatened in Cape Town: The South African army is to be deployed in Cape Town today following threats of renewed violence between a militant Moslem organisation and gangs accused of dealing in drugs. Page 4

Manila prosecutes mill chiefs: The Philippine government prosecuted three mining executives for alleged recklessness in allowing a copper mill to leak what is claimed to be toxic waste into a river. Page 12

Fruit handout ditched: Farmers were forced to abandon attempts to hand out 50 tonnes of free fruit and vegetables in Paris, in protest at falling prices, after being mobbed. Page 2

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STOCK MARKET SERVICES

New York: Dow Jones Ind. 5,000.83 (-27.74)	NASDAQ Composite 1,137.54 (-3.57)
Europe and Far East:	
CAC40 3,987.42 (+6.28)	DAX 2,538.15 (+6.28)
FT-SE 100 3,811.4 (+6.3)	Nikkei 20,751.51 (+253.72)

US LIGHTNING RATES

Federal Funds 5 1/4%	3-month T-bill 5 1/4%	Long Bond 6 7/8%	Yield 6.77%
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OTHER RATES

3-month Interbank 5 1/4% (base)	3-month T-bill 5 1/4%	3-month T-bill bid 5 1/4%	3-month T-bill offer 5 1/4%	3-month T-bill bid 5 1/4%	3-month T-bill offer 5 1/4%
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NORTH SEA OIL (August)

Brent (barrel) \$20.07 (19.57)	Titegas (barrel) \$19.57
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COMMODITIES

Alumina 157.20 (157.20)	Aluminium 15.00 (15.00)	Cash 100.00 (100.00)	Crude Oil 22.00 (22.00)
Gold 340.00 (340.00)	Iron Ore 10.00 (10.00)	Lead 100.00 (100.00)	Natural Gas 1.00 (1.00)
Oil 22.00 (22.00)	Platinum 100.00 (100.00)	Silver 100.00 (100.00)	Steel 100.00 (100.00)
Wheat 100.00 (100.00)	Yield 6.77%		

Belgium urges new debate on Emu sanctions

By Neil Buckley in Brussels
Belgium yesterday reopened the issue of sanctions against European Union member countries that do not join the proposed single currency and that devalue their currency to gain competitive advantage. Mr Philippe Maystadt, the Belgian finance minister, said it was essential to "relaunch the debate" on potential sanctions against non-Emu states after the European Commission last month dismissed calls from Mr Jean Arthuis, the French finance minister, to reduce EU aid payments to

countries that competitively devalued. Belgium yesterday became the first EU state to pledge to meet the timetable for transition to the single currency agreed at December's Madrid summit of EU leaders - including issuing central bank and market information and conducting all interbank payments in euros from 1 January 1999. It also promised to go beyond the Madrid requirements by issuing bonds and treasury bills in euros from 1998. Mr Maystadt said that surveillance of the relationship between single currency "ins"

UK warned over single currency

London's top investment banks are warning, in a report published today, that the financial community must urgently speed up its preparations for European monetary union if it is to keep its competitive edge - whether or not the UK joins the single currency. Report, Page 7

and "outs" was vital - as was agreement on the criteria by which a currency devaluation would be considered deliberately competitive. "To give teeth to the monitoring procedure, it is essential to provide for specific sanctions that the Council of Ministers could apply in cases of

flagrant violation of competition rules because of an exchange rate policy that is too lax," Mr Maystadt said. He plans to ask fellow EU finance ministers to order the Commission to reopen the issue. He has asked Ireland, holder of the EU presidency, to put it on the agenda of the informal meeting of finance ministers in Dublin next month. Mr Maystadt insisted yesterday that monetary union would go ahead on time in spite of market rumours that France was planning to request a six-month postponement of the planned start date. Belgium's place among the first countries to convert to the euro is not yet assured. Mr Jean-Luc Dehaene, prime minister, last month took special powers to draw up the 1997 budget without parliamentary consent to help guarantee Belgium's participation by cutting its budget deficit to 3 per cent of GDP. Belgium also had a debt to GDP ratio of 133 per cent last year, against a target of 80 per cent. To emphasise the Belgian government's commitment to its goal of meeting the Madrid summit timetable, Mr Maystadt yesterday published an eight-point plan for transition to the euro. It proposed guidelines which had been drawn up by representatives of the banking community, Brussels' bourse, tax authorities, national bank and treasury.

Emu faces credibility crisis, Page 10

Probe into ex-directors of Crédit Lyonnais

By Andrew Jack in Paris

The French government is launching criminal investigations against former directors of Crédit Lyonnais, the state-controlled bank that reported substantial losses during the early 1990s.

Mr Jean Arthuis, minister of economics and finance, said yesterday he had sent a formal request to the ministry of justice to pursue former senior directors for "failure to control its subsidiaries".

Investigations into subsidiaries of the bank are already under way, but this is the first time the government will have investigated directors personally. Those targeted could include Mr Jean-Yves Haberer, chairman of Crédit Lyonnais during 1989-93, when the government forced him out as it became clear that the bank was in difficulties.

A high proportion of the bank's losses were the result of over-aggressive expansion from the late 1980s - notably in the French property market which subsequently crashed - but there have also been allegations of fraudulent transactions.

Mr Arthuis' initiative will add extra momentum to those who have called for stronger action against former directors of the parent bank.

About 42 legal actions are outstanding - including 15

outside France - in relation to the activities of Crédit Lyonnais, but they concentrate on allegations of fraud in subsidiaries, rather than pursuing those on the group board.

Some investigations involve directors of subsidiaries, such as International Bankers and Altus Finance, while others are aimed at clients including Mr Bernard Tapie, the French politician and businessman, and Mr Giancarlo Parretti, the Italian businessman, whom France is trying to extradite from the US.

One private investor in Crédit Lyonnais has launched a criminal action against the bank's directors, alleging that they were responsible for presenting false accounts.

The investigations follow criticism levelled against Crédit Lyonnais' senior management in a parliamentary inquiry which reported in late 1994, and attacks last year by the Cour des Comptes, the public accounting watchdog. The Cour is believed to have provided new information last month to the government questioning the accounts of Altus Finance, a subsidiary of the bank, during 1991-93.

The government is believed to be preparing a new restructuring package since it has become clear that the existing FF135bn (\$27bn) plan, proposed last year, is too costly for Crédit Lyonnais.

Flash flood kills 62 at family campsite in Spain



Rescue workers yesterday carry away a victim of the flash flood at Biescas in the Spanish Pyrenees in which a torrent of mud and rock swept over a family campsite, killing at least 62 people and injuring many more. Report, Page 2

Nokia shares rise on recovery hope

By Hugh Carnegie in Stockholm

Shares in Nokia jumped 11 per cent yesterday after the Finnish mobile telephone specialist forecast a rebound from a damaging period of production difficulties, falling margins and tumbling profits.

"The second quarter has given us tremendous confidence that our markets are not only healthy but that we are going to return to very satisfactory levels of profits," Mr Jorma Ollila, chief executive, said after publishing the group's second-quarter results. There has been widespread concern among investors that Nokia, the world's second largest supplier of mobile handsets

after Motorola of the US, had come to the end of a golden period of explosive sales and profit growth.

But Mr Ollila insisted Nokia had overcome internal production problems and that the global mobile phone sales were continuing to grow at more than 50 per cent a year with no acceleration in price erosion.

Nokia's second-quarter pre-tax profits plunged 56 per cent from FM1.67bn to FM728m (\$162m), but the decline was significantly less than the 70 per cent drop in the first quarter. The result left first-half profits down from FM3bn to FM1.13bn. First-half sales slipped from FM17.5bn to FM16.9bn, but

were up 15 per cent excluding currency shifts and divestments.

This was comfortably in line with market expectations and investors pushed Nokia shares as high as FM183, more than FM20 above Tuesday's close. The shares fell back to close at

Continued on Page 13

ABB results trigger failure on Zurich stock exchange

By William Hall in Zurich

Trading in the shares of ABB, the international electrical engineering group, was stopped for nearly 30 minutes on Switzerland's new electronic stock exchange yesterday after a surge of orders at widely varying prices triggered an automatic halt.

The failure follows several similar episodes in the trading of other Swiss blue chip shares since the electronic exchange started handling trades in domestic issues last Friday, and is a growing embarrassment for exchange officials.

ABB had just reported a 22 per cent rise in first half net income to \$362m and a plan to make a special capital repayment to shareholders. This resulted in hectic trading conditions, with dealers submitting a series of buying orders which bore little relation to the underlying share price.

Mr Otto Nagel, responsible for overseeing trading at the Swiss stock exchange, admitted the trading bids were not helping Zurich's bid to win back business from abroad. Wednesday appears to have been the only day this week when there were no significant trading halts.

Mr Nagel said it was the quality of the input of information from the traders that was at fault, not the trading system. Some traders had been inputting buy orders that were "completely out of line". Under the old system of open-order trading, these orders would have been ignored, but once they are in the new system they have to be processed.

The electronic exchange project suffered several development delays with substantial cost increases since being launched five years ago. The system, which aims to strengthen Switzerland's com-

petitive position against other world financial centres, is supposed to improve efficiency and transparency. However, it has led to a substantial jump in the number of people who can trade stocks and many newcomers are not skilled operators.

Mr Nagel estimated that the number of traders with access to the new market has jumped from the 110 to up to 700. "Most of them are novices and they need a certain time of adjustment," Nagel said.

Mr Nagel said he was reluctant to interfere in the working of the market but he might have to review the rules in areas such as order validation. ABB shrugged off the problem, saying it was confident the Swiss exchange would sort it out.

Lex, Page 12
ABB investors' bonus, Page 18
World stocks, Page 30

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NEWS: EUROPE

Worst collapse so far causes red faces throughout financial establishment

Big losses bring down Czech bank

By Vincent Boland in Prague

The Czech Republic suffered its biggest banking collapse yesterday. The central bank closed the nation's sixth-largest bank with losses estimated at Kč12bn (\$450m), causing red faces throughout the country's financial establishment.

CP's supervisory board while the losses, most of them caused by poor lending decisions, were being clocked up. It is the worst collapse since Banka Bohemia failed in 1993 after issuing fake securities, and the biggest to be caused by lending losses. The central bank said it was too early to say whether fraud played a part.

borne by CP's controlling shareholders, Investiční & Poštovní Banka (IPB) and the privately-run PPF investment company. Shares in CP fell by the maximum allowed 5 per cent in trading on the Prague stock exchange, to Kč4.02 a share. It took control of Kreditni bank last year.

linked Kreditni, the insurance company and the leading banks as a source of the problem. "I find this collapse more troubling than other [bank] failures," said Mr Jack Schrantz of Creditanstalt Securities. "Nobody was minding the store."

The central bank began intervening in the banking sector in January to weed out troubled institutions. Eight have been shut or placed in administration. Kreditni is the eleventh bank to fail since the sector was liberalised at the start of economic reforms.

EUROPEAN NEWS DIGEST

Flash flood kills campers

A torrent of mud and rock claimed the lives of 62 people when it swept over a crowded family campsite in the Spanish Pyrenees. Most of the victims were Spanish, but state radio reported six holidaymakers from Germany, France and Belgium were among the dead. The campers also included British and Dutch tourists.

Options chosen for Baltic link

Denmark and Germany have shortlisted five options for the proposed link across the Fehmarn Belt, the strait between northern Germany and the southernmost tip of Denmark.

Brussels acts on phone 'locks'

The European Commission has written to GSM mobile phone manufacturers and operators to limit the use of a locking function that can tie customers into one network.

Solidarity shipyard bankrupt

Gdansk shipyard, where Poland's Solidarity union was born 16 years ago, was declared bankrupt by a Polish court yesterday. Creditors were given two months to file claims.

Credit rating for Slovakia

Slovakia, which had central Europe's strongest growing economy last year, has been given a BBB- credit rating, the lowest investment grade, by the European rating agency IBCA, placing it on the same level as Hungary.

Parisian mob puts paid to free food

By Andrew Jack in Paris

Farmers were forced to abandon attempts to hand out 50 tonnes of free fruit and vegetables in the French capital yesterday in protest at falling prices after being mobbed by Parisians.



Eager Parisians scabble for fresh produce being given away by protesting farmers yesterday

The several hundred people who gathered on the forecourt of Montparnasse railway station seemed more concerned about the prospect of receiving free fruit than in the issues raised by the farmers.

The handout was the culmination of a week of protests. Farmers have complained that supermarkets are paying too little for their produce, and that the strength of the franc is destroying exports.

FNSEA, the national federation of agricultural unions, has helped to co-ordinate a campaign alleging that retailers sell produce at high mark-ups after buying below cost price. Fruit has been given away in the south of France, and farmers have even dumped food to block access to out-of-town shopping centres.

Good weather in the past few weeks has brought a large and early fruit harvest - especially of peaches - and had helped drive down prices. The strength of the franc against the lira and the peseta has encouraged supermarkets to buy fruit from Italy and Spain, while retailers in other countries have bought less French produce.

Retailers also complain that disappointing weather in early July and persistent consumer pessimism has helped to depress prices of fresh fruit and vegetables, increasing wastage and reducing prices.

But several of France's largest supermarket chains, including Carrefour, Auchan, Casino and Intermarché, agreed this week to buy peaches above the minimum production cost of FF75.50 a kilogram. Producers and retailers met for talks at the agriculture ministry yesterday.

"We want to show the quality of our produce," said one farmer at yesterday's demonstration. "We want to fight against unemployment. Agriculture is the best way to support the countryside and rural life. We have had enough talk, we want action."

French state offers a helping hand to struggling businesses

Andrew Jack on a new bank to meet smaller companies' needs

The hopes of France's small and medium-sized businesses will be focused later this year on a spacious office building in suburban Paris. It is there that executives are setting up the Banque de Développement des Petites et Moyennes Entreprises (BDPME), a state-controlled bank whose specific function will be to help solve the sector's many problems.

The initiative, launched formally last month by Mr Alain Juppé, the prime minister, is one of a range of support policies - including tax reductions, attacks on red tape and a freeze on large-scale commercial developments - designed to improve the creation and survival rate of small companies.

The political pressure is intense. President Jacques Chirac, mindful of his rural and small-business constituents, has stirred controversy more than once in recent months with attacks on the way French financial institutions handle their clients. In a television interview last month, he criticised the most powerful bank of all,

the Bank of France, arguing that high domestic interest rates were stifling the ability of businesses to grow. The government's response to the problem has been to attack a "financing gap" for medium- and long-term finance for smaller companies in precarious financial health.

The BDPME is a repackaging of two existing state-controlled groups: Crédit d'Equipements des PME (CEPME), which provides medium- and long-term loans to small business; and Sofaris, which partially guarantees loans by commercial banks.

Under arrangements to be finalised before the end of the year, the new bank will control both CEPME and Sofaris, with extra funding from a recapitalisation, and a new allocation of FF1.5bn (\$160m) on top of the existing FF1.2bn provided by the state-backed tax-exempt Codevi savings scheme offered through French banks.

Some bankers grumble that the two institutions distort competition and cost the taxpayer money. CEPME

made losses of FF256m last year, for example, on top of FF461m in 1994 and FF728m in 1993.

But Mr Jacques-Henri David, head of the CEPME and recently appointed to lead the BDPME, says there will always be a need for a state-backed institution to provide medium- and long-term finance. He points to similar arrangements in other countries such as the US, Canada, Germany and Japan.

He says that even commercial banks make losses on these loans. "The risks are structural. All banks lose money in this market. I don't see how it can be covered apart from with public aid." Making such loans to keep companies in business and help them develop "is cheaper than providing grants for employment or other less productive forms of support", he says.

Mr David concedes that the attacks of small, struggling businesses on bankers denying them finance are not always justified, and that "those who cry stron-

gest are often not viable companies". But he says he intends to use commercial criteria when judging requests for credit, supporting "those which are innovative but have already been created, which have products and technical capacity but can't find the necessary finance".

Mr Juppé stressed last month that there would be a "partnership" between France's commercial banks and the BDPME, rather than an attempt by the latter to undercut interest rates in order to win business.

Details are still being worked out, but Mr David says he would like to see decisions decentralised, with the financing risk and the management of clients' loans with the commercial banks. Inspired by the example of US banks, he favours a greater degree of credit-scoring in France; smaller companies presenting greater credit risks would pay higher interest rates. The difference in financing would then be absorbed by a public guarantee fund such as Sofaris.

Italy wonders whether to take pity on Craxi

The ex-premier is sick and wants to come home from exile but faces jail if he does so, writes Robert Graham

Italian politicians and media are weighing the rights and wrongs of taking pity on former Socialist premier Bettino Craxi, one of the nation's leading politicians in the 1980s who later became a symbol of corruption.

The diabetic 63-year-old is making a halting recovery from an operation last week in Tunisia, where he is living in self-imposed exile. It was a fourth operation on his gangrenous left leg in an attempt to avoid amputation.

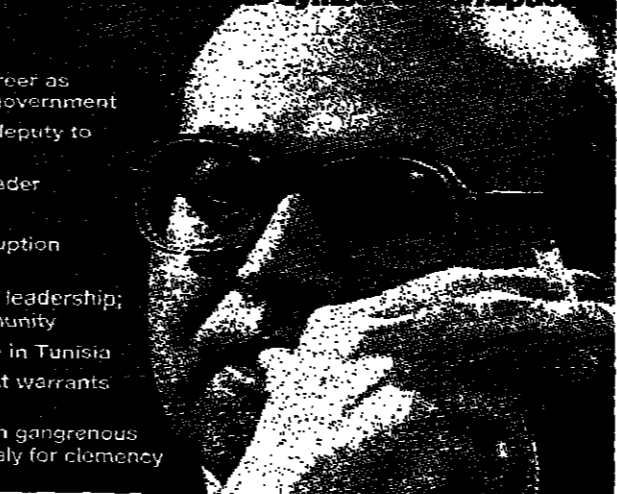
Initially, his condition was so serious that a specialist was flown from Milan for a second opinion. His lawyers were quick to raise the issue of his return to Italy on humanitarian grounds to receive medical treatment. This has led his supporters and several of his one-time opponents to focus on his plight.

Craxi - well protected by the Tunisian government. If he returns to Italy he would face immediate arrest on a multitude of corruption charges and would find it hard to avoid prison on three sentences already handed out.

But Mr Craxi seems to have sniffed some opportunity in his condition and has granted several interviews from his hospital bed. Previously, he has rarely granted interviews, preferring instead to make wry comments over the telephone and distribute outraged faxes to the media.

"If I return, I'll do so as a free person," he told the Repubblica newspaper in an interview published yesterday. "The arrest warrants issued against me have no justification or legitimacy; they're just a means of persecution because I have become the symbol of evil, the head of all Tangentopoli [the name given to the system of bribes uncovered since 1992], a Mafia-style criminal."

- 1934 Born February 24
- 1960s Early political career as Socialist in Milan local government
- 1968 Elected Socialist deputy to parliament
- 1976 Becomes party leader
- 1983-87 Prime minister
- 1992 Caught up in corruption scandals
- 1993 Forced from party leadership; loses parliamentary immunity
- 1994 Self-imposed exile in Tunisia
- 1995 International arrest warrants issued
- 1996 Fourth operation on gangrenous leg leads to appeals in Italy for clemency



corruption charges. A fifth has reportedly already been prepared by Milan investigating magistrates and is only being held back because of the current controversy over his health and possible return to Italy.

Mr Craxi has been sentenced to prison terms of up to eight years for corruption on three occasions over the past two years and faces an indeterminate number of

additional trials. In April, he was ordered to pay damages of 1.36bn (\$24m) in relation to bribes on contracts for the building of the Milan metro. Those familiar with Mr Craxi say he suffers from a genuine sense of persecution, even to the point of believing his life is in danger. He believes he cannot be given a fair trial in Italy because his case has been prejudged; and rather than

Documents with compromising information have been seized in the Rome offices of Craxi sympathisers and he is widely believed to have extensive dossiers from the intelligence services at his disposal. He is still being investigated for allegedly trying to blackmail Mr Antonio Di Pietro, the present public works minister, while the latter was a Milan magistrate and investigating him for corruption. That a talkative Mr Craxi could be an embarrassment is underlined by the fact that no formal request has been made to the Tunisian government for his extradition. A 1973 treaty envisages extradition, though not for corruption and illicit financing of political parties. But the Italian government could put pressure on the Tunisians if it was determined to have him returned, not least because he fled the country illegally and may have made false use of a diplomatic passport. In these circumstances, it is hard to see how he can return without the Italian political parties and the government considering the

broader issue of the corruption scandals and how to draw a line under the affair, which would involve an element of amnesty for those prosecuted or still under investigation. More than a quarter of the previous parliament was affected by Tangentopoli corruption investigations, as were a raft of prominent businessmen and government officials. There is growing pressure to find a solution, and dealing with the case of Mr Craxi, symbol of the corrupt regime, will be the most delicate part. One interim suggestion put forward yesterday was for him to return to Italy initially for medical treatment as a guest of the Knights of Malta, which enjoys extraterritorial privileges in Italy. But Mr Craxi is probably still seen as a bit too arrogant to be treated so softly. And he seems ready for a long exile, commencing yesterday: "At least I'm not like Napoleon on St Helena who couldn't see France. From [Tunisia's] Cap Bon I can see Pantelleria [the Italian island nearest the African mainland]."

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NEWS: THE AMERICAS

SEC ready to impose changes on Nasdaq

By Richard Waters in New York

The Securities and Exchange Commission was due yesterday to announce the settlement of a complaint against Nasdaq which would lead to changes in the way the US's second biggest stock market operates.

The regulatory agency was expected to criticise the market severely for failing to do enough to protect the interests of investors in its market, and to discuss rule changes which could make it easier for small investors to buy and sell at better prices.

The announcement marks the culmination of a two-year investigation into the market, and echoes other regulatory and legal actions that have been brought against it.

The computer-based market, whose biggest stocks include Microsoft and Intel, has been under fire since the publication of an academic study which claimed dealers on its market maintained an artificially large spread between the prices at which they buy and sell shares.

Nasdaq improves policing of the way its dealers operate. The federal agency was also expected to disclose rule changes to force dealers to give small investors as good a deal as they give to big institutional investors.

Such changes, he said, could include requiring dealers to deal for small investors at the same prices they give to big institutions such as pension funds. It could also lead to small investors' orders being "exposed", or made available to others in the market, before being completed.

Massad tipped for top Chile post

By Imogen Mark in Santiago

Chile has named Mr Carlos Massad, a respected economist who is also a close friend and associate of President Eduardo Frei, to the vacant seat on the central bank board.

This will make him a frontrunner for the bank's presidency, which has been vacant since Mr Roberto Zahler resigned unexpectedly in June.

Mr Massad is a candidate with impeccable credentials. He is a well-known macroeconomic specialist and a former president of the central bank in the 1960s, in the government of President Frei's father.

As health minister in the present government, he has had to handle a difficult area, and in his two years in the job had begun to introduce criteria for efficiency in the public health service.

His age, 63, and prestige could allow him to take the central bank presidency comfortably over the heads of the other four directors.

The government is confident his nomination to the board will be rapidly approved by the Senate. The bank president is appointed directly by the President of the Republic from the five-person board.

However, the right-wing opposition parties said after Mr Massad's nomination was announced, that they would vote against him.

They have been lobbying for a second right-wing candidate on the board. Four of the five directors have been named by the past two centre-left governments, and three of the five are members of the parties in the governing coalition. The fourth is non-aligned.

Political links apart, a key issue is whether Mr Massad can defend the bank's autonomy, given his close relationship with the president.

Poor Bolivia leads way on pensions

Every citizen aged 65 and over is set to receive an annual pension of \$200 from next year

By Sally Bowen in La Paz

Every Bolivian aged 65 and over will receive an annual pension of some \$200 from next year, if congress approves a law unveiled by the government this week.

The move would be revolutionary for Latin America, where universal pensions are unheard of.

The pensions, which are to be administered by means of a private pension fund system modelled on that of Chile, will be financed from revenue generated by the "capitalisation" of six state-owned companies.

Four of the six - the state electricity and telephone companies, the airline and the railways - have already been capitalised, Bolivia's home-grown version of privatisation.

In return for a 50 per cent stake in the companies, foreign investors have committed \$836m in new investment. The government intends that the other 50 per cent, held in trust for the state, should provide the start-up capital for the pension funds.

In his state-of-the-nation address this week, President Gonzalo Sanchez de Lozada said the pension fund law would "close the circle of the great structural reforms of

the Bolivian state". He called the initiative the "law of dignity".

Mr Sanchez de Lozada completes three years in power with an impressive list of reforms in what is the South American continent's most impoverished country. His "popular participation" programme has strengthened local municipalities and devolved decision-making, especially in rural areas.

In Latin America universal pensions are virtually unheard of

Great strides have been made, too, in decentralisation. According to Mr Sanchez de Lozada, 75 per cent of national income is now managed directly by local, rather than central, government.

Still in its infancy is the ambitious "multi-ethnic, pluricultural" educational reform which aims to revolutionise traditional rote-learning

methods and give local communities power to monitor the performance of teachers.

Some 6m new schoolbooks in Bolivia's three Indian languages, as well as Spanish, have so far been distributed free to children and more are on the way.

The reforms have provoked vociferous resistance from entrenched groups, including unions and politicians, who have seen their traditional influence wane.

While opposition has generally fizzled out, the president's popularity has taken a severe knock. In his final year in office, he is likely to encounter even stiffer resistance.

If Mr Sanchez de Lozada can push through his pension fund law and the crucial pending capitalisation of oil and gas producer YPF, he will leave the presidency next August a relatively satisfied man.

"A technical analysis will determine whether we have fulfilled our electoral pledge [to create hundreds of thousands of jobs]," he said on Tuesday. "But we can be sure that the measures of change have created the conditions for sustained economic growth in Bolivia and increased employment possibilities."

Dole secures deal on abortion

By Jurak Martin in Washington

Republican moderates have grudgingly accepted a compromise on the divisive issue of abortion designed to avoid a fight on the floor of the US party's convention in San Diego next week.

The agreement, approved by the platform committee on Wednesday night, retains the party's commitment to a constitutional amendment banning the termination of pregnancies, a bottom-line position for social and religious conservatives.

But it will allow the publication of an appendix containing all the resolutions rejected by the committee. Among them are the declaration of tolerance sought by Mr Bob Dole, due to be nominated next week as the Republican presidential candidate, and another statement pushed by moderates emphasising the diversity of party opinion over abortion.

Mr Paul Manafort, Mr Dole's convention manager, expressed relief at the agreement, which came after a strong appeal from Mr Newt Gingrich, the Speaker of the House. "We didn't want to have the abortion issue define the convention," Mr Manafort said.

Governor Pete Wilson of California and Senator Olympia Snowe of Maine, prominent pro-abortion advocates, also expressed satisfaction and said it would enable Mr Dole to concentrate on economic and other issues in the race against President Bill Clinton.



Clinton: riding easy in the polls as Republicans row over abortion

Perot, the 1992 independent candidate.


Mr Wilson also made clear that his acceptance of the compromise was grudging. "Frankly, the best platform plank on the subject would be none," he said in a morning TV interview. "A constitutional amendment will never be enacted, therefore it will never prevent one abortion."

Conservatives, who dominate the platform committee, were more than delighted both with the abortion solution and with the rest of the platform, which will be submitted for approval by the full convention next week. "This is Buchananesque


throughout, more than we ever dreamed of," said Ms Angela "Bay" Buchanan, whose rightwing pundit brother, Pat, remains Mr Dole's only official challenger for the nomination.

Another proposal demands that federal judges assert their opposition to abortion before appointment.

Other platform details assert many of the American First beliefs of Mr Buchanan's campaign, including a ban on US soldiers serving under a foreign commander in any UN military operation and a denial of the right of any international court "to seize, try or punish an American citizen."



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<p>Consolidated net sales (in million DM)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td>1st half 1995</td><td>1,747</td></tr> <tr><td>1st half 1996</td><td>2,242</td></tr> </table> <p>Consolidated net sales grew by close to 30% compared to the previous half-year.</p>	1st half 1995	1,747	1st half 1996	2,242	<p>Net income (in million DM)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td>1st half 1995</td><td>131</td></tr> <tr><td>1st half 1996</td><td>184</td></tr> </table> <p>adidas' net income increased by 40% to DM 184 million compared to the first half 96.</p>	1st half 1995	131	1st half 1996	184
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NEWS: INTERNATIONAL

Erbakan's visit to Iran irks US

John Barham analyses the Turkish prime minister's diplomatic balancing act

M Necmettin Erbakan, Turkey's Islamist prime minister, sets off tomorrow for a two-day visit to Tehran...

The European Union was set to lodge a protest with the US last night over its new anti-terrorism law imposing sanctions on foreign companies investing in Iran and Libya...



Turkey in the Turkic, Moslem republics of former Soviet central Asia. Iran has focused on trade and building infrastructure links rather than exporting Islamic revolution...

Nevertheless, Washington and Ankara are both wary of allowing a dispute over Iran to threaten an important relationship. The US values Turkey's geopolitical location at the crossroads of Europe, the Middle East and central Asia.

western rhetoric but said he would still seek to balance Turkey's traditionally pro-western foreign policy by building stronger ties with the Moslem world.

Mr Erbakan has come under heavy criticism in his Reform party for being over-accommodating to western powers. Under pressure from Washington, he continued a controversial military training agreement with Israel - bitterly opposed by Iran and by Refah while in opposition.

successful market-oriented economies. Clearly, Refah is anxious not to alienate the US too much. Mr Abdullah Gül, his chief foreign policy adviser, said: "There are responsibilities in [the US-Turkey] relationship, that Turkey has to the US that are not lightly taken and should not be lightly dismissed."

Should ties between Turkey and Iran develop unacceptably, the US might respond by withdrawing diplomatic support for Turkey, particularly in its often troubled relationship with western Europe. It would certainly block international loans to finance the pipeline and could even drop support for Ankara at the International Monetary Fund.

ity housing complex in Saudi Arabia, only exacerbated irritation with Turkey. Mr Nicholas Burns, State Department spokesman, said: "There are responsibilities in [the US-Turkey] relationship, that Turkey has to the US that are not lightly taken and should not be lightly dismissed."

However, Washington doubts Turkey's ties with Iran can grow much. Turkey's economy is weakened by debt and heavy inflation, the secularist establishment remains strong, and Iran and Turkey have conflicting regional interests. Iran has outmanoeuvred

S African army to patrol drug area

By Roger Matthews in Johannesburg

The South African army is to be deployed in parts of Cape Town today following threats of renewed violence between a militant Moslem organisation and gangs accused of dealing in drugs.

Mr Sydney Mufamadi, minister for safety and security, was forced to seek army help after police failed to intervene during a riot-out earlier this week between members of People Against Gangsterism and Drugs (Pagad) and those they accuse of organising crime in the Salt River area of the city.

Although the 15-minute gun battle was filmed and photographed, no arrests have been made. Pagad has since staged another armed demonstration and has warned criminal elements that unless they leave by Sunday they will be "taken out".

Rand's slide continues

The rand continued its slide against the dollar yesterday but later recovered some of its losses as speculation grew of another increase in interest rates. Mr Chris Stals, the governor of the Reserve Bank, warned last week that he was prepared to sanction an interest rate increase to stem the decline in the rand. He last raised interest rates, by 1 per cent to 16 per cent, in late April.

The rand's weakness yesterday was attributed by dealers to the sharp fall in gold and foreign currency reserves during July. Total reserves fell nearly 8 per cent to R10.88bn (\$2.8bn), with foreign currency holdings dropping 17 per cent to R3.84bn. The Reserve Bank has again been active in the market this week.

After dipping R0.05 against the dollar in early trading, the rand clawed back some of its losses to close at R4.51, just R0.05 short of its all-time low. The Johannesburg Stock Exchange, which will be closed today for a public holiday, predictably suffered from the interest rate speculation, with the all share index falling 59 points, or nearly 1 per cent, to close at 6622.

Mubarak in Saudi Arabia

Egyptian president Hosni Mubarak made a surprise visit to Saudi Arabia yesterday where he held talks with King Fahd on ways to jump-start the stalled Middle East peace process, officials said. Saudi Crown Prince Abdullah bin Abdel Aziz and Prince Sultan, the defence minister, attended the talks on "bilateral relations and the situation on Arab, Islamic and international scenes," the official Saudi news agency SPA said.

Mr Assad, backed by Mr Mubarak, rejected the resumption of peace talks with Israel on the basis of first resolving the issue of Lebanon, where Israel and Syria both have troops stationed.

Ruling on Lebanon poll law

Lebanon's Constitutional Council ruled yesterday a controversial new electoral law was unconstitutional, almost certainly delaying the country's second parliamentary election in nearly a quarter-century. The law, which redraws electoral boundaries, was adopted by parliament on July 11. Rightwing Maronite Catholics, the largest Christian sect which for decades held power, complained that the law was designed to reduce their political influence. Some Moslems also objected to the principle of equality.

Media reports speculated that the elections for a new 128-member parliament, scheduled to take place on August 18, could be postponed by as much as eight months.

But Mr Rafik Hariri, the prime minister and a Sunni Moslem, said the delay would be "for a short and limited period to prepare a new electoral law formula."

The elections are not expected to bring any policy changes.

Israeli minister quits over police inquiry

By Julian Ozanne in Jerusalem

The fractious coalition government of Mr Benjamin Netanyahu, Israeli prime minister, suffered another setback yesterday as the justice minister resigned in face of a police investigation.

court proceedings" in a case before he became justice minister.

The resignation will further harm the government's credibility in the eyes of the Israeli public. Three senior figures in Mr Netanyahu's coalition had to be excluded from the government when he first formed his cabinet in mid-June, because they are either facing or could face prosecution.

day boycotted the inner cabinet meeting.

Mr Levy has complained of being excluded from key foreign policy decisions. Increasingly, policy is being decided by the prime minister's office and Mr Netanyahu's hand-picked foreign policy aides.

Mr Fawaz Jaffer, spokesman for Pagad, said nothing would stop the campaign to rid the area of drug dealers. "The process has been set in motion and we are determined to see it through. The community will not accept anything less," he said.

Mr Mufamadi said he understood their anxieties, but this did not entitle them to take the law into their own hands.

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Large vertical advertisement on the right edge of the page, partially cut off, featuring the text 'US expect...' and 'King Dec...'. It appears to be a continuation of an advertisement from another page.

India bids to speed privatisation pace

By Tony Tassell

The Indian government has set up a panel of leading financial experts to advise it on share sales in state-controlled companies in a move which economists say signals an intention to step up its privatisation programme.

At the time of the budget many economists described the target as too ambitious, casting doubts on the proposed budget deficit of 5 per cent of gross domestic product.

Bankers say poor handling of privatisation issues has seen funds raised far below target for last four years. In the year to March, the government raised only about Rs3.57bn out of a target of Rs70bn.

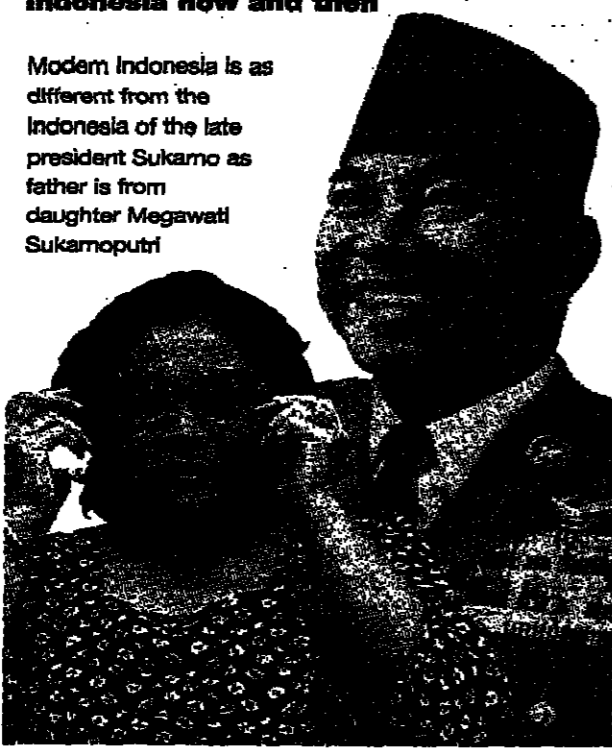
to 10 year timetable for the sell-off of government equity in public sector companies, advise on the method and timing of sales, select financial advisers and determine the extent of divestment of equity in each company.

competent financial advisers and investment bankers to assist them," he said. "What would be more significant is if they adopted a serious approach to privatisation with the sale of majority stakes in companies rather than the piecemeal divestment process at the moment."

An Indonesian daughter's burden

When Ms Megawati Sukarnoputri arrives at Jakarta's police headquarters today, her soft-spoken and unassuming manner will not remind her interrogators much of the charismatic, passionate orator who was her father and the founder of independent Indonesia.

Modern Indonesia is as different from the late president Sukarno as father is from daughter Megawati Sukarnoputri



But the reason she will be there has everything to do with him. When less than two weeks ago thousands of people braved the wrath of the Indonesian security forces and tried to resist the government's removal of Ms Megawati's supporters from the official opposition's headquarters, this country with the fastest growing economy in south-east Asia was shaken in a way it had not been for two decades.

Ms Megawati is being called in to explain why. The answer has much to do with the kind of country Indonesia is today and how many people, who have not benefited as much as they would have liked to from its perennial growth, remember it to have been.

For modern Indonesia is as different from the Indonesia of the late President Sukarno as father is from daughter.

It was Ms Megawati's father who led Indonesia to independence in 1945 after a bloody war against Dutch colonialists. It was this that earned him the title of father of the nation. But his charisma never matched his economic policies.

"Sukarno's clouded in romanticism," says Ms Dewi Fortuna Anwar, political scientist at the Indonesian Institute of Sciences. "I remember when I was at university I fell in love with his character. It was like reading Che Guevara. Sukarno's nationalism put Indonesia on the world map. If he had not committed the [economic] mistakes he did he would be as great as Gandhi."

"New Order" regime, characterised by authoritarian rule, has not been able to stamp out Sukarno's legacy. Indeed, its legitimacy is still partly founded on the fact that he brought order to the political turmoil that marked the end of the Sukarno years when the founding president depended on the Indonesian Communist party as one of his pillars of support. Under Sukarno inflation was 1,000 per cent a year and interest

on Indonesia's foreign debt exceeded total export revenues.

A year before his downfall, Sukarno was driven to advising a starving population to eat rats to make up for their poor diet, telling the US to "go to hell" with its aid while spending state money on building Soviet-style monuments which still mark the Jakarta skyline today.

In the aftermath of the riots that Ms Megawati is being called in to explain - which featured unprecedented looting and burning of government offices and banks - the military has again put the blame at the door of the communism that so tarnished Sukarno's politics. Communist is a label that chills the Indonesian body politic. In the aftermath of the aborted coup of 1965 that ended Sukarno's rule and brought Suharto to power to "save" Indonesia from communism, between 100,000 and half a million suspected communists were slaughtered.

Conscious of the fact that, despite this, Sukarno's popularity endures, the government - concerned that Ms Megawati may capture the vote of those disaffected with President Suharto's rule at next year's general elections - engineered her removal as leader of the opposition Indonesian Democratic party (PDI) and replaced her with its own candidate.

Mr Suharto's government has been careful not to blame Ms Megawati directly for the riots. If she is victimised further, analysts say, it will only add to her popularity, encouraging Indonesians to draw parallels between her and her father. After all, he died in 1970 under virtual house arrest imposed by Mr Suharto.

Ms Dewi notes that Indonesians who lived during the Sukarno era "have no illusions about him". "They hate him but admire him." For those born after 1965, however, Sukarno's flamboyance, nationalism and a sense that his rule was free of corruption and collusion is a refreshing antidote to the staidness of the Suharto regime.

"Sukarno is the antithesis of Suharto," said Ms Dewi. "[The younger generation] are bored with Suharto's style. He's a solid figure but not exciting. When Sukarno spoke people would laugh, cry. Nowadays they turn on the television and see boring speeches."

But it goes further than that. There is mass support for Ms Megawati among the poor in the same way that there was for her father. During her leadership of the PDI, she represented the only credible opposition to government within the establishment. The fact that so many Indonesians have come out to support her is a sign of a widespread desire for political change. And her questioning by the police today - perceived by her supporters as further bullying by the government - will keep tensions simmering.

Mannela Saragosa

Japan sees trade surplus fall

Japan's current account surplus fell one quarter in June as structural changes in the economy encouraged imports, but the pace of the shrinkage was not as extreme as the sharp falls of recent months, Reuters reports from Tokyo.

The finance ministry said that the current account surplus, the broadest measure of trade in goods and services, shrank 25.5 per cent from a year earlier to ¥672bn (\$6.2bn) in June. The surplus in merchandise trade declined 17.5 per cent from a year ago to ¥558bn, the 18th straight month it has declined on a year-on-year basis. In May, the current account surplus fell by 46.4 per cent year-on-year, with a 41.1 per cent fall in the trade surplus.

The surplus for the first six months of 1996 was ¥3,510bn, a fall of 34.5 per cent from the same period last year. It was the sixth straight decline for the half-year period on a year-on-year basis, and the second smallest surplus for a half-year period since Japan began tracking comparable data in 1985.

The merchandise trade surplus in the same period fell 29.8 per cent from last year to ¥4,400bn, the smallest since 1985.

A continuing increase in the travel deficit - a main component of the services trade balance - helped trim the surplus.

ASIA-PACIFIC NEWS DIGEST

New economy chief in Seoul

South Korea's President Kim Young-sam named a new finance minister yesterday in a reshuffle involving six cabinet ministers. The new finance minister, Mr Han Seung-soo, who will also be the deputy prime minister in charge of the economy, replaced Mr Rha Woong-bee, a reformer who has been pushing for speedier financial liberalisation as Seoul prepares to join the OECD. Mr Rha has been criticised for failing to stop the current account deficit widening. Mr Han was formerly a trade minister. South Korea's industrial output rose 3.6 per cent in June, the lowest growth in 28 months. The current account hit a six-month record deficit of \$3.29bn in the first half of this year, against a \$5.96bn shortfall in the same 1995 period. President Kim named five other new cabinet ministers, including Mr Kang Bong-gyun as information minister.

Taiwan cuts key rates

Taiwan's central bank is cutting key rates to boost a slowing economy, but analysts said rate cuts would do little to boost business. The central bank announced it was cutting the rediscount rate to 5 per cent from 6.25 per cent and the rate on accommodations against secured loans to 5.75 per cent from 6.25 per cent, both effective from today.

The priority is to keep financial and consumer price stability," the central bank governor, Mr Shau Yuan-dong, said. The island's exports fell 6.8 per cent to \$9.47bn in July from a year earlier.

Australian pensions sale

Australia's federal government will go ahead with selling Commonwealth Funds Management, the government-owned pension fund management group. Mr John Fahey, finance minister, said yesterday a study to determine likely interest in CFM had indicated several "keen" bidders. CFM handles pension fund money worth \$88bn (\$4bn), mainly for public servants. Its main clients include Australia Post and Telstra, the government-owned telecom group.

Mr Fraser first advocated an institution to act as a forum for co-operation among central banks in the Asia-Pacific region last September. Then, he noted that the Bagle-based Bank had become a main forum for talks between western central bankers. Since then, Asian central bankers had met regularly, with tangible moves towards greater co-operation recently. Mr Fraser has said he will stand down as RBA governor next month, when his seven-year term expires. His replacement has not yet been named.

Sri Lanka may reclaim companies

By Anil Jayasinghe in Colombo

Sri Lanka yesterday introduced legislation to take over privatised state enterprises where new owners have failed to manage the businesses satisfactorily.

The laws are aimed at protecting employees of at least six companies in which the assets had been stripped, forcing the employees out of work, Mr G.L. Peiris, justice minister, said. He said in some cases the government would seek compensation

from the owners if they were found to have sold off the company's assets and made more money than they spent on buying the enterprise.

Mr Peiris said negotiations had started with three of the companies to work out a rescue package to ensure the workers got a fair deal. "This law will be applied only in the event of the main purpose of the enterprise having failed and where workers have been thrown on the road."

The companies concerned had been sold by the previ-

ous government. The present government of President Chandrika Kumaratunga had begun an ambitious privatisation plan and hoped to raise Rs21bn (\$382m) before the end of this year, but had realised just Rs1bn so far.

Private analysts said that although the proposed law was aimed at providing relief to workers in the six companies, the move could alarm potential investors because the law could be subject to interpretation.

● Tamil Tiger guerrillas seized nearly \$50m worth of

arms and ammunition, including long-range artillery, when they attacked an army garrison where more than 700 soldiers were killed last month, parliament was told yesterday. Tamil separatists had begun using the weapons taken from the military base at Mullaitivu against government forces, Mr Jayalath Jayawardena, an opposition MP said. The loss of equipment, which the government did not deny, accounted for about 7 per cent of this year's Rs38bn defence budget.

Hong Kong's Indians face a future without their roots

Mr Kalbir Parmar watches his curries simmer the last time in the tiny Hong Kong restaurant that bears his name. Next month, he will quit the territory, squeezed by the uncertainties produced by the handover of sovereignty to China next year.

"If there was no need to go," he says, "I would stay here. But we don't know what's coming, what rules will change. So why spend HK\$12m (\$129,000) renovating, when the rules might change again?"

His sentiments are percolating through the territory's 22,000-strong Indian community, specifically among those, estimated by the government at 8,000, who will find themselves stateless after next July.

Born in the crown colony of Hong Kong, and with a history that pre-dates Britain's seizure, they assumed full British rights but now feel they must rely on watered-down British National (Overseas) passports and a verbal assurance that Britain will give shelter to them, along with other ethnic minorities, if they are forced to leave Hong Kong.

Mr Ravi Gidumal, who runs a trading business and is actively lobbying for British passports for ethnic minorities through the Indian Resources Group, says: "We've always assumed our roots were in Hong Kong and that's Brit-

ish Hong Kong. We don't have roots in any other country; to be facing a future without roots makes you indecisive."

These fears have prompted a flurry of activity: women are shifting their jewellery overseas, often depositing jewels in safety boxes in Singapore, and family businesses are slimming down.

The intention is to leave one member to run the operation and earn money, while the rest make new homes for themselves in India, Britain or America, depending where they can obtain residency. Funds are increasingly being channelled offshore, often into non-resident Indian accounts.

"A lot of people have moved money offshore over the last few years; whether it's directly related to those who do not have valid citizenship or just general concern over the future of Hong Kong, I cannot say," says Mr Kishore Sakhrani,

chairman of the Indian Resources Group and himself a money manager. While assets are being spirited away, it will be harder to erase the imprint of the Indian community, whose earliest merchants, like their British counterparts, engaged in trading opium.

Hong Kong University, the territory's oldest and premier tertiary college, was originally built at the expense of Hormuzjee Naorojee Mody, a Parsee merchant later knighted, whose name lingers on in Kowloon's Mody Road, reflecting his huge investment in Kowloon when it was a virtual wasteland.

In keeping with the tradition set last century, many of those who have arrived from the Indian sub-continent in more recent years, such as the wave arriving following the Indian-Pakistan partition of 1947, have established themselves in trade.

A survey conducted 10 years ago showed Indians controlled 10 per cent of trade; even given today's figures (total trade last year stood at HK\$1,344bn), the Indian Chamber of Commerce says the same proportion still holds true.

All this inspires much confidence among Indians, many of whom are fluent in the local dialect of Cantonese, that their future under Chinese rule will be secured.

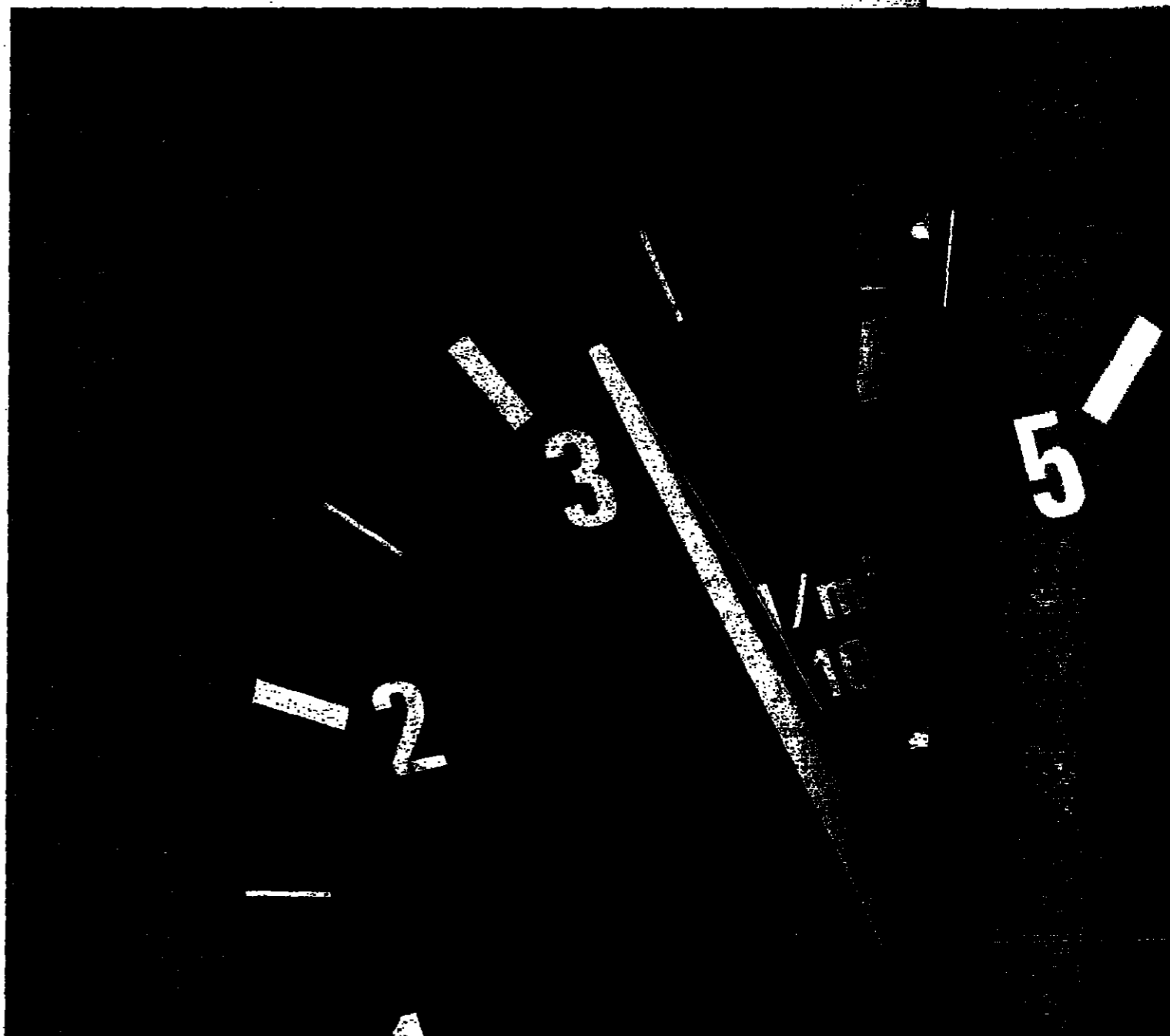
"Whoever takes over Hong Kong is not going to be foolish enough to throw these people out; after all, they made Hong Kong what it is today," says Mr Bob Harilala.

He is one of six brothers and one sister who control a sizeable portfolio of hotels, real estate, travel agencies, restaurants and export operations, and whose lavish family celebrations are the stuff of the society pages.

But it is a confidence that is always undercut by uncertainty. As Mr Parmar boards his aircraft for New Delhi next month, Mr Gidumal will still be musing over the essential conundrum: "Ultimately it comes down to one thing. We are locals today and foreigners tomorrow, and a foreigner's perspective is always different from a local's. I have been told I will be a foreigner in Hong Kong."

Even the wealthy Harilala clan is not without its own concerns. Mr Harilala, like his brothers, has secured a British passport under the selection scheme that offered 50,000 Hong Kong households nationality, but his Hong Kong-born son is not so lucky. "My son only speaks English. He can't go to India, they'd laugh at him," he says.

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City urged to speed up plans for Emu

By Gillian Tett and George Graham

London's top investment banks are warning that the City must urgently speed up its preparations for European Monetary Union if it is to keep its competitive edge - whether or not the UK takes part. If action is not taken by the end of this year, the London Investment Banking Association warns in a report to be published today, it may be too late to get the infrastructure in place to handle trading in euro securities by the scheduled start of Emu at the beginning of 1999. "Even if the UK does not

participate in Emu, there are still significant competitive challenges for UK settlement and payment arrangements," the report says. "It is therefore important that the central City facilities anticipate and plan for Emu regardless of the continuing uncertainty over the UK's participation." The Liba committee urges the UK's Chaps system for cash transfers to develop a facility for making payments in euros. "We are not convinced that the euro can simply be treated as an additional foreign currency, accommodated through correspond-

ent banking arrangements, without raising potential competitive implications for the City," Liba says. "Unlike any other foreign currency, the euro would, even as a non-participant, represent the potential - perhaps likely - future currency of the UK." The report warns that such big changes to settlement systems will require at least two years to implement. The report urges the Bank of England to establish an industry consultative group and take the lead in co-ordinating the way securities are redenominated in euros. The Bank of England yesterday said: "We much welcome this demonstration of the private sector's thinking ahead to the implications of Emu whether the UK is in or out." Mr Matthew Elderfield of Liba said the committee had wanted to convey a sense of urgency. "If we don't start soon it means that we may not be ready in time and it will be very costly - and the people who will suffer will be the smaller players," he said. The Liba report recommends: ● the European Monetary Institute must decide quickly on rules for rounding amounts converted into euros. ● the Treasury must consult and decide on how to redenominate gilts ● the Crest electronic settlement system must develop intelligent converters to handle share trades ● companies must decide how they will redenominate their bonds ● the stock exchange should consider whether it needs to change its listing rules to allow redenomination into euros.

Credibility Crisis, Page 10

Labour aims to change laws on party funding

By John Kampfner, Chief Political Correspondent

The Labour party has vowed to pass new laws introducing state-funding for political parties in the lifetime of the next parliament if a committee reviewing standards in public life recommends such a move. Giving his clearest commitment yet to a radical change, Mr Robin Cook, the foreign secretary for the opposition Labour party, said Labour would remove the "block" which has prevented the standards committee, chaired by Lord Nolan, looking into the issue before the general election. Plans for a report on the issue were shelved last year after the government made clear it did not want such an investigation at such a sensitive time. Mr Cook was launching Labour's latest attack on Conservative funding and the ability of the Tories to turn a £19m (£99.45m) overdraft into a £20m surplus in three years to be used for the election campaign. "The public is entitled to know who is bankrolling the Tory campaign to get their votes," Mr Cook said. Labour would publish details of all donations of

more than £5,000 to its own coffers by the time of its conference in Blackpool at the start of October. Mr Cook set out four reforms proposed by Labour ● every political party must declare the source of all donations over £5,000 ● no company shall make a political donation without first balloting shareholders to set up a political fund ● any shareholder must have the right to opt out of their share of a political fund ● no political party shall accept donations from foreign sources. The Nolan committee was established by Mr John Major, the prime minister, in October 1992 to look into the probity of political life. Mr Cook said he did not want to produce a "league table" of commitments for a Labour government, but added: "Our own belief is that, properly examined, the case for state funding will be held by the Nolan committee. I hope we would act on this in the lifetime of the next parliament." Labour believes accusations of "leakage" and secrecy in the way the Tories conduct their business reinforces public perceptions of cash for favours in government.

Blair laughs off MP's criticism

Leader's office says policy differences 'grossly exaggerated'

The Labour party yesterday conducted a skilful damage limitation exercise to stem the latest challenge to the authority of Mr Tony Blair, the party leader. Senior shadow cabinet members said a line had been drawn under criticisms made by Ms Clare Short, the former transport spokeswoman. No disciplinary action would be taken. Ms Short and Mr Blair's office issued statements denying policy differences and making clear they had been "grossly exaggerated". They carefully skirted around her claim that Mr Blair was guided by "dark forces" who had turned him from "fresh, principled leader into a 'macho man'". Mr Blair was said to have dismissed the coverage of Ms Short's interview in *The New Statesman* magazine as typical of the "August silly season" when news is usually in short supply. "This will pass the electorate by," said an aide. Mr Robin Cook, the shadow foreign secretary, said: "We are putting an end to this summer hiccup because there is no continuing policy argument. We regard the matter now as closed."



Short shrift: Senior Labour party figures say Clare Short will not face disciplinary action

While many MPs had made such criticisms in private, the first to go public was Mr Richard Burden, MP for Birmingham Northfield, who last August denounced what he said was the "autocratic" behaviour of the leader's "kitchen cabinet". Mr Blair rode out the storm and had no difficulty refusing media attention on other issues. A year on, however, the general election is months away and Labour's lead in the opinion polls appears gradually to be declining, although there is considerable inconsistency in the findings. As the tension has increased, so has the level of resentment among Labour MPs over their perceived powerlessness. Last month's shadow cabinet elections reinforced their view. Ms Short's standing rose markedly - to third place - even though her high support was attributed at least in part to a rule

stipulating that at least four votes must be cast for women candidates. Hours after the polling closed, Mr Blair had demoted her to the overseas development portfolio. Given her volatile - some would say refreshingly unconstrained - temperament, it seemed inconceivable that Ms Short would not bare her soul in public over the apparent slight. In the past she has tended to follow controversial utterances with statements partially retracting them. Yesterday was no different. Yet it stretches the imagination for her team and Mr Blair's to suggest her remarks were exaggerated especially as *The New Statesman*, where they

appeared, has been refashioned as a loyal but critical voice of New Labour. Furthermore, the hypersensitivity to the media may also be backfiring. A senior Labour official yesterday wrote to BBC executives complaining about coverage of the row. The problems over Ms Short are compounded by the relative fortunes of the two main parties. Labour strategists now await each opinion poll with trepidation. Mr Blair has always made clear that the 30-point to 40-point leads registered in opinion polls last year were unsustainable.

John Kampfner

Editorial comment, Page 11

UK NEWS DIGEST

Eurofighter costs increase

The cost to Britain of the four-nation Eurofighter programme has risen by £124m (£193.44m) in the past year and the fighter aircraft will be a further year late despite efforts to resolve technical difficulties. According to the National Audit Office, the UK's share of Eurofighter development will now cost £4.1bn, which is £1.25bn above the original estimate. The cost to the UK of developing and manufacturing Eurofighter is now likely to be £15.4bn, says the government spending watchdog. The UK's development costs jumped again following a decision by the Ministry of Defence to fit the Eurofighter with cruise missiles and more advanced air-to-air missiles. Delays to production have arisen partly because extra time has been needed to resolve technical problems and because of procurement lags by the four partner governments, Britain, Germany, Italy and Spain. The first aircraft is now likely to be delivered to the Royal Air Force at the end of 2001. Bernard Gray, London

NORTHERN IRELAND

Nationalists retaliate on marches

Tension rose in Northern Ireland's second city of Londonderry last night after nationalists announced they would hold weekend marches at the same time as rival Protestant groups in spite of appeals for restraint from churchmen and politicians. Mr Donagh MacNiallais, the residents' spokesman, said the march was a way to channel the anger of the nationalist community. The decision followed an order on Wednesday by Sir Patrick Mayhew, Northern Ireland secretary, preventing Apprentice Boys from parading along a section of the city walls overlooking the Roman Catholic Bogside district. In a meeting yesterday with unionist representatives in Belfast Sir Patrick made clear the move had not been determined by a need to redress the balance following nationalist outrage over the last-minute U-turn by the RUC, the Northern Ireland police force, last month allowing the Orange Order to march past a Catholic estate in Ffordown. Meanwhile Mackie International, the Belfast-based precision engineering company, yesterday confirmed plans to build a new £13.6m (£21.31m) foundry in west Belfast. The project is being funded partly with a £4.08m grant from Northern Ireland's Industrial Development Board and by using about half the £5.2m proceeds of the company's recent rights issue. Financial Times Reporters

SPORTS BROADCASTING

Five-nations rugby in doubt

The future of the Five Nations international rugby union tournament remains in doubt after representatives of Wales, Ireland, France and Scotland yesterday rejected a compromise proposal from the English Rugby Football Union over the issue of broadcasting rights. Last month England were thrown out of the championship after agreeing to their own £87m (£135.72m) television deal with British Sky Broadcasting, the satellite broadcaster. Previously the five countries had negotiated the sale of television rights jointly, but England struck its own deal because it wanted a larger share of TV revenues. Patrick Harverson, London

INVESTIGATION

Facia chairman's office raided

The Serious Fraud Office has launched an investigation into the transfer of at least £10m (£15.6m) from the collapsed Facia retail group. Yesterday the SFO and South Yorkshire police raided five premises, including the offices of Mr Stephan Hinchliffe, Facia's former chairman. No arrests were made. The SFO began its investigation on August 1 on the back of a report carried out for KPMG and passed to South Yorkshire police. Investigations centre on interest-free loans provided by Facia to companies owned personally by Mr Hinchliffe. Financial Times Reporters

FUND MANAGEMENT

Credit Suisse settles lawsuit

Credit Suisse Asset Management has settled its lawsuit against ten fund managers who defected last year to rival HSBC James Capel. CS had won an injunction barring the ten from approaching former clients, but around 750 clients with portfolios totalling around £250m nevertheless moved to James Capel. The settlement is understood to involve a payment to CS of about £2.5m, equivalent to 1 per cent of the funds involved. That would match the incentive fee CS had alleged the ten fund managers were offered by Capel if they persuaded their customers to follow them - an allegation Capel denied. George Graham, London

TAKEOVER LAWYERS

Smaller firms increase work share

Linklaters & Paines, the City of London law firm, has emerged as the leading legal adviser to companies involved in UK public takeovers during the first six months of 1996. Linklaters was ranked first for its role in 10 deals worth £13.17bn (£20.43bn). Slaughter and May was second with 13 deals worth £11.06bn and Freshfields third with eight deals worth £5.02bn. But the supremacy of these three firms, which have traditionally dominated UK public company takeover work, could soon be under threat from smaller firms, according to *Acquisitions Monthly* magazine, which ranks law firms by the value of the takeovers in which they acted as advisers. Firms with smaller corporate finance departments are increasingly competing for, and winning, high fee-earning corporate finance work, it says. Robert Rice, London

Competition law reforms could crush cartels

By Robert Rice, Legal Correspondent

The government yesterday signalled a crackdown on cartels from next year with the publication of a draft bill for reform of competition law. The bill, which is expected to be included in the Queen's Speech, will outlaw price-fixing, market-sharing and bid-rigging cartels. It will also strengthen the powers of the director-general of fair trading to deal with abuses of market power, such as driving rivals out of the market by predatory pricing. Companies which enter into anti-competitive agreements face tough fines of up to 10 per cent of UK turnover or a minimum of £250,000. But directors will not automatically be subject to fines as first planned. The reform of restrictive practices law, which was first promised by the Conservative government in its 1987 election manifesto, will bring the UK's regime into line with European competition rules. Launching the

bill, Mr Ian Lang, the trade and industry secretary, said competition was essential in creating an enterprise economy. But it "must be underpinned by an effective system of competition law". "Existing competition law is in need of reform," he said. The draft bill follows very closely the green paper published in March. Responses to that consultation paper showed widespread support from commerce and industry for the introduction of a prohibition of anti-competitive agreements. As a result the government has decided to move straight to a draft bill without publishing a white paper. However, Mr Lang stressed the bill was "by no means in final shape". The purpose of publishing it now was to give business and consumers an opportunity to comment on the drafting of the legislation before it was laid before parliament. Investigation and enforcement of the new law will fall to the director-general of fair trading.

Annual reports reveal FT-SE 100 bosses 'generous' incentives

Directors' pay outstrips inflation

By William Lewis

The earnings of top executives of FT-SE 100 companies increased by more than twice the level of inflation last year, and nearly half of these executives are now entitled to participate in both share option and long-term incentive schemes. A report published today by Monks Partnership, the executive pay consultancy, discloses that in 1995 the chief executives and full-time chairmen of FT-SE 100 companies received a 7.8 per cent increase in median total earnings - basic salary plus annual cash bonus. Their median basic salaries increased by 4.5 per cent, less than the 7 per cent

rises for finance directors of FT-SE 100 companies and 7.6 per cent for divisional directors. Inflation in 1995 was 3.5 per cent and in June this year 2.1 per cent. The Monks report, covering all FT-SE 100 companies, also discloses that 46 companies now allow their directors to participate in a long-term incentive plan (LTIP) as well as a share option scheme. The Greenbury committee's report on executive pay, some of which has been implemented into the stock exchange's rule book, recommended that companies should consider replacing share options with an LTIP, and warned that "total rewards potentially available should not be excessive". However, only 28

companies have scrapped share options for their directors, while 75 companies have, or are about to have, LTIPs. Awards available to directors through LTIPs, if targets are met, range from shares worth more than one year's salary to shares worth less than 25 per cent of salary. The Monks survey is based on information disclosed in companies' annual reports as at the end of June 1996. Following publication of the Greenbury report in July 1995, companies have been forced to reveal more about directors' pay, enabling Monks to compare the pay of various board posts. Overall, the median total earnings of full-time chairmen and chief executives

increased to £501,000 last year. The median total earnings of finance directors rose by 7 per cent to £270,000. Divisional directors saw their median total earnings increase by 7.6 per cent to £275,000. Directors of minerals, oil and gas companies received the largest increase in total earnings last year - 15.1 per cent. Directors of utilities in the FT-SE 100, which have been criticised for their remuneration practices, saw their median total earnings go up by 7.9 per cent. Monks' report also identifies 14 FT-SE 100 companies which have made some or all of their directors' annual bonuses pensionable, contrary to the Greenbury committee's recommendation.

Advertisement for BMW featuring a steering wheel with '5' and '6' on it, and text: 'And what is the result of such ingenuity? A luxury car that leaves the driver free to concentrate on what we believe is the most important aspect of owning a BMW: driving a BMW. THE ULTIMATE DRIVING MACHINE'.

MANAGEMENT

Michael Cassell examines the role of interim managers and what they can offer companies

Troubleshooter for hire



Interim management serious consideration. Freelance Directors points out that the interim manager does not get a pension, company car, health insurance or holiday pay.

But surely staff morale is not going to be helped with the arrival of a high performer from outside, handed total authority and doing a job no one inside was thought capable of performing?

"They are usually seen for what they are; somebody who will be around only for a short while and who really poses no longer-term threat to the people they are working with."

"They certainly have to be diplomats but they are not bound up in the sort of office politics which riddles most companies. The company which employs them gets objectivity, reality and truth," claims Foot.

So what is the difference between the sort of consultant who has always been called in at a time of corporate crisis and an interim manager? The answer seems to be that consultants go in to identify problems and make recommendations to their client, although he or she will rarely implement them; the interim manager goes in to make changes and problems have been identified and analysed.

"Interim managers will get their hands dirty and defend their own decisions for the time that they are here. They are one of the team and stand or fall accordingly," adds Foot.

But who are these people, not usually in the first bloom of corporate life, who can afford to stand by and wait for the telephone to ring before being called into a company to do a few months' work? Sounds like the traditional description of someone who has lost their job, is too old to be re-employed and can, hopefully, find enough part-time work to supplement the golden handshake.

Not so, says PA Consulting. They are people who like a variety of challenges, who are financially secure, enjoy taking responsibility and are results-oriented. Foot says the biggest demand for interim managers at present is in the information technology field, which he says should dispel the myth that they are out of touch with today's company.

As for their age, Foot insists: "They are certainly not played out. They can still offer boundless energy, together with experience, maturity and worldly wisdom. It is often the 35-year-old whizz-kids who know nothing."

TECHNOLOGY

Crop of fears over maize

Alison Maitland on EU concern over a genetically modified food

Ciba, the Swiss-based chemicals group, has run into difficulties winning approval for its genetically modified maize in the European Union because of fears over the potential impact on human health and the environment.

For the first time, a majority of EU member states have objected to a genetically engineered food product, holding up its passage on to the market.

The maize, which has been approved in the US and Canada, has been genetically altered to resist the European corn borer, a pest which causes millions of dollars worth of damage to crops each year.

But concern has been raised by the UK that the maize could transfer resistance to widely used antibiotics to the bacteria living in the guts of animals that eat it. These resistant bacteria might pass to humans through excreta when the animals are handled.

Other EU member states - believed to include Austria, Sweden and Denmark - have environmental concerns. Some are worried that killing the pest could create an ecological imbalance. The maize's ability to survive treatment with a herbicide could lead to the spray being used more widely, with environmental consequences. Some want labelling to show the maize has been genetically engineered.

The European Commission, faced with such opposition, has asked three scientific committees to consider the matter and report back by the end of this month.

The objections came after France signalled approval for the maize under an EU directive which allows the country where a product will initially be marketed to review the manufacturer's assessment of the risks.

The objections were referred to an EU regulatory committee, where for the first time a genetically modified product failed to win approval even by a qualified majority of member states.

Britain said the presence of a gene carrying resistance to beta-lactam antibiotics such as ampicillin posed "an unacceptable risk". The gene could transfer to the gut bacteria of animals which ate unprocessed maize, and thence to humans. It had no problem with the maize being grown and processed for animal or human food, however, as processing would inactivate the gene.

Antibiotic resistance is a growing problem. "There are not many antibiotics where there's no resistance," says Derek Burke, chairman of the UK government's advisory committee on novel foods and processes, which recommended against approval.

He explains that the modified maize contains two genes that are not native to the plant. The Bacillus thuringiensis, or BT, gene makes it resistant to the corn borer. The other confers antibiotic resistance. The latter genes are used quite commonly in genetically modified plants as "markers" to show whether the main gene has been accepted by the plant, because the marker and the main gene are usually taken up together.

But the gene's "promoter", which switches it on and off, allows it to work in bacterial cells - not plant cells, as in the genetically engineered tomato.

It is also constructed in such a way that resistance could multiply rapidly and be more active than in other genetically modified products.

Ciba said the maize was "as safe as maize has ever been". Its findings have been confirmed by the US Environmental Protection Agency, the Food and Drug Administration and the Department of Agriculture.

Under EU law, all member states have to abide by a majority decision in favour of a product, officials say. But if the environment council fails to vote by the end of August, the Commission could approve the maize, or reformulate its original proposal for approval, adding safeguards.

played a pivotal role in preparations for the proposed demerger of Thorn EMI, on which shareholders will vote next week.

To help cope with the extra demands placed on the company's financial department, Thorn EMI temporarily recruited managing accountant Andrew Emmett via PA Consulting. Long-term recruitment had been ruled out because of the immediate, short-term nature of the job and the fact that the role would not be required once the demerger was complete.

Emmett joined eight months before the demerger to lead a five-man accountancy team to resolve issues such as inter-company debt with Thorn EMI's tax and treasury personnel. By June, when the company announced the details of the demerger, Emmett's team had all the required financial information prepared ahead of time and within budget.

Stephen Young, Thorn EMI's financial controller, says: "Andrew quickly got up to speed

and competently managed the team to meet its objectives. Overall, the demerger process has worked well and Andrew played a key part."

Among other converts is London Electricity, which this year mounted a spring sales campaign under the control of an interim manager, Norrie Taylor, a 49-year-old chemical engineer with

a history of senior management in traditional engineering businesses, was appointed sales director and given responsibility for a team which went on to secure more than £150m of new business.

Gill Golding, general manager of London Electricity's energy retailing group, says: "We needed

and competently managed the team to meet its objectives. Overall, the demerger process has worked well and Andrew played a key part."

Carpetright, a leading carpet retailer, also called in an interim manager when it faced the challenge of increasing its carpet cutting and handling capacity to meet its expansion plans.

The person responsible for the project had to possess specific technical and project management skills but the company did not want to divert existing management capabilities from elsewhere. In a year, Carpetright doubled its warehouse capacity and cutting operations.

Interim management is also catching on in the public sector, where local authorities intent upon introducing a more commercial approach to their operations are seeking the temporary secondment of interim managers to help out.

The company which employs interim managers gets objectivity, reality and truth

Interim management is also catching on in the public sector, where local authorities intent upon introducing a more commercial approach to their operations are seeking the temporary secondment of interim managers to help out.

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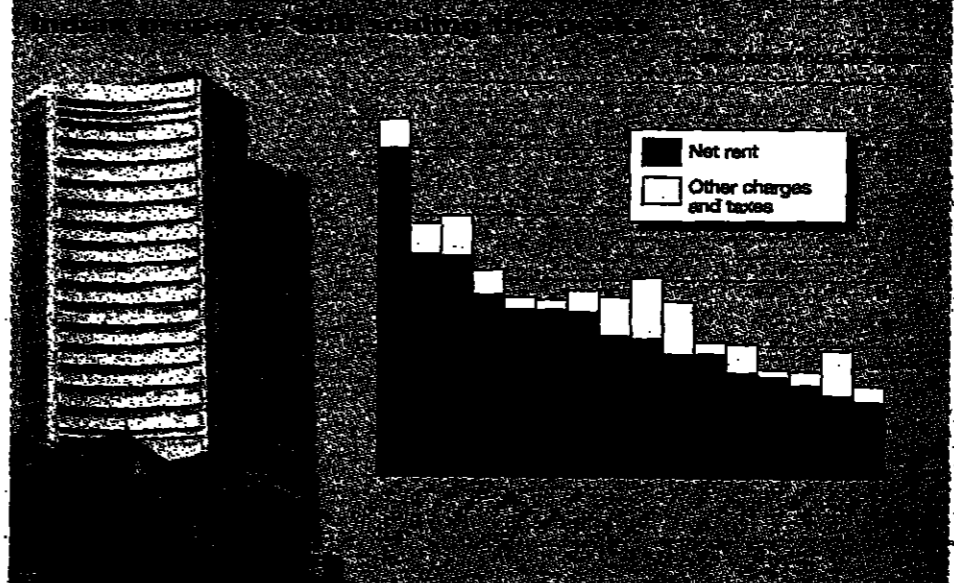
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UK Business Property Friday, September 13. Always topical, sometimes controversial the editorial will provide an overview of the UK Commercial Property Market.

THE PROPERTY MARKET A downturn develops

Bombay is coming under price pressure, says Tony Tassell

The distortions of the Bombay property market can still provoke disbelief. The world's highest rents for some of the worst international office space on offer, rental deposits of more than £200,000 (\$307,500) for basic executive flats while long-standing tenants pay peppercorn rents, and thousands of vacant units despite a dire housing shortage are just three anomalies in this perverse market.



Local brokers say the fall has been a liquidity crunch in the Indian economy over the past year and the fact that price rises had simply become unsustainable. Speculative activity, which drove the market's sharp surge in the early 1990s, has also cooled and shifted to other cities such as Madras and Ahmedabad. However, future reforms of property regulations could see more fundamental factors push down prices. Mr. Deepak Parekh, chairman of Housing Development Finance, the leading Indian financial institution, has warned that expectations of constantly rising Indian real estate prices are "seriously misplaced".

Mr. Michael Thompson, chief executive of Colliers Jardine India, says the reform process is likely to be slow and tortuous and the effects of supply of new land are more likely to be felt in the medium term.

However, reforms to Bombay's Rent Control Acts could be introduced over the next 12 months, he adds. They make it extremely difficult for landlords to evict tenants or even raise rents. Tenants who have occupied their accommodation for many years pay token rents. Their landlords thus have virtually no incentive to develop the property. So vast numbers of Bombay properties are crumbling into disrepair.

Mr. Thompson says political pressure and vested interests are likely to prevent a complete overhaul of the acts but legislation is being considered by the Maharashtra state government that would scrap the application of them to companies with a paid-up capital larger than Rs10m a year. In addition, the Indian government is making "positive noises" about reforming the Urban Land Ceiling Act which caps the size of sites that can be acquired by developers.

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COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL. Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700. Friday August 9 1996

Russia: what is to be done

Mr Boris Yeltsin's inauguration as Russian president later today will be a historic moment for the country, and source of justified relief worldwide. For the first time since becoming a sovereign nation, Russia will see the winner of a democratic election sworn in as its leader. What is more - as far as many in the west are concerned - the right man won.

It has been difficult not to become more up-beat about Russia's economic future since Mr Yeltsin's re-election. Important risks, however, remain. The clearest of these, must be the state of the new president's health. His death would trigger an early election and a hard-fought battle for succession which would be highly destabilising and might not necessarily go the reformers' way.

Even if Mr Yeltsin - or someone sharing his aims - survives in office, there are tough challenges ahead if Russia is to achieve a long-term recovery. The four key ingredients for long-term growth will be to maintain low inflation; achieve budgetary control (including sweeping tax reform); lay the legal and regulatory frameworks for competitive markets; and, last, integrate Russia fully into the global economy.

For low inflation will make it difficult for opposing forces in the Duma to challenge the new macroeconomic orthodoxy. Yet they have a far greater capacity to delay detailed tax and regulatory reforms or subvert them to individual, non-reformist, ends. There are now some highly committed professionals involved in the writing and implementing of these types of reforms. Yet, even where the right rules are in place, it will take political will at the heart of the government to bring them to life.

Labour's heels

As Harry Truman, Boris Yeltsin, Jacques Chirac, John Major and others could testify, it is possible to win an election when everyone has been predicting defeat. For four years Britain's Conservatives have been written off as inevitable losers, but write-offs can recover. The Tories' success in the opinion polls has edged up on the late 20 per cent; it may be crossing the 30 per cent mark.

Opposition at a comparable stage of the game. Mr Tony Blair, its leader, has done well. He has embraced the market economy and much other Conservative thinking besides. New Labour promises continuity to an essentially conservative election, but offers a new management to run familiar policies. The question is, can it be trusted?

Rank outsider

Rank Organisation's decision in principle to sell its remaining stake in Rank Xerox looks suspiciously like part of a trend. Like last year's \$7.7bn sale by Seagram of its 23 per cent stake in DuPont, it illustrates the pressures on managers to perform. Just as peripheral businesses must be jettisoned these days, so must sources of income which managements do not control.

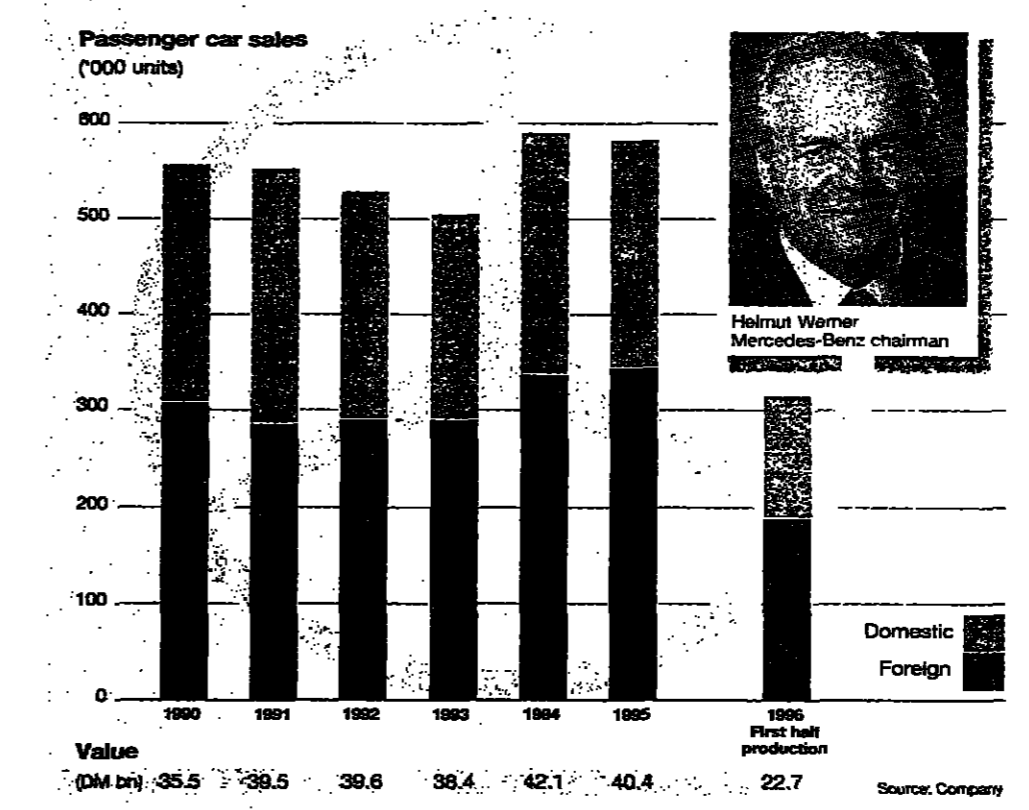
overshadow its owner. Typically, too, they are the legacy of previous management - Rank bought into Xerox 40 years ago - which the latest incumbents prefer to discard. This may not be a simple matter of managerial ego. A source of earnings which is not controlled cannot be relied upon either. And if managers have identified what they believe is a business opportunity - in Seagram's case, the purchase of the entertainment group MCA - it can be galling to be stuck with a large and marketable asset which contributes little to income.

Car trip into the unknown

Mercedes-Benz is staking its reputation on broadening its range to include smaller, less conventional cars, says Haig Simonian

It is a familiar scene. A limousine draws up; a flunky jumps out; a door opens and a bigwig emerges. Although the locations may differ, the vehicle is likely to be the same - a Mercedes-Benz. Germany's leading prestige carmaker has become an icon for executive transport. In spite of strenuous efforts by rivals such as BMW and Jaguar to catch up, no other car conveys quite the same aura of success and restraint as one bearing the three-pointed star on its bonnet. But the world market for executive transport is limited, even allowing for the rising affluence sweeping Asia and south America. Under Mr Helmut Werner, its chairman since 1983, Mercedes-Benz has decided the only way to raise sales beyond the 500,000 to 600,000 a year at which they have been languishing is to diversify into smaller, cheaper cars.

Mercedes-Benz: the drive for higher output. Es gibt nur einen Hersteller, der auf 3,6 Metern einen Mercedes bauen kann. Helmut Werner, Mercedes-Benz chairman.



Mercedes-Benz has embarked on an unprecedented journey away from Germany and away from building luxury automobiles. It is an open question whether it will arrive intact, says one analyst.

wheel-drive sports utility vehicles, Mercedes-Benz is also expanding its selection of station wagons and its image-building cars with a new compact convertible, the SLK, and, later, a slightly larger coupé, the CLK.

Mr Werner argues that Mercedes-Benz has to diversify to broaden its narrow customer base. "You have to keep growing or profits will be eradicated. Otherwise you end up in the same corner as Rolls-Royce," he says.

about 1.1m cars a year by 2000. Mr Werner's strategy of broadening the range is closely interlinked with his other priority: lowering costs. Mercedes-Benz workers are among the best-paid in Germany. Apart from high hourly pay rates, they also enjoy a variety of fringe benefits.

OBSERVER

Full mango alert

Airline customers can do with all the reassurances they can get, these days. So it is good to know that Boeing is working hard to fix a problem causing false fire alarms in its new 777 jet.

Very creative note

A case of taking metaphors too far? The latest edition of Strategy & Business, a quarterly

Journal published by Booz Allen & Hamilton, the consultants, has some ambitious thoughts about unlocking the managerial spirit within us all. One of the leading articles proclaims: "It is not enough to say that leadership in today's turbulent corporate environment is an art. Our research shows that managers can become better leaders if they literally take up the artist's pencil and the post's pen."

Chianti carp

It may not be top of his list of concerns, but Tony Blair had better watch his drinking habits. The holidaying party leader, who has taken his family off to this year's fashionable spot for New Labour, Tuscany, stands accused of drinking less-than-fine wines.

Second sight

Granny Vanga, who is 85 and blind, has fallen seriously ill. Since August 3, she has been holed up in intensive care in Sofia's hospital for the ruling elite, an establishment to which she has been admitted doubtless by virtue of her being Bulgaria's most senior clairvoyant.

taken on enormous importance for many citizens as they make the uncomfortable adjustments to post-communist society. Her health problems have left her junior colleagues in a state of turmoil. "The illness of our greatest seer is having a bad influence on dozens of fortune-tellers," one clairvoyant told a local newspaper. "Many of them have been feeling unwell and sense that their powers are being drained."

Planets apart

It didn't take American political humourists long to make the connection between a certain meteorite and next week's Republican convention in California. Bob Neumann, one of the wittier Democrats (his car bumper sticker reads "Dole IS 98") summed it up: "It's been a great news week. We've learned there was life on Mars but there is none in San Diego."

Financial Times

50 years ago

Hongkong and Shanghai Banking Corporation. The ordinary general meeting of the Hongkong and Shanghai Banking Corporation was held in Hongkong, the chairman, the Honourable Mr. A. Morse presiding. He said in his statement: "As Japan collapsed only in August, 1945, no trade of any importance in the Far East could have been expected by the end of the year with which our accounts deal. However, in India our business remained satisfactory and we continued to extend our connections with Indian merchants. In the countries of South East Asia the clock of progress has been set back four years by Japanese deprivations and the disorganisations of the war."

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RECRUITMENT

The contribution of individuals needs to be recognised, says Richard Donkin

Why teams still need heroes

Instead of spending a few days on the beach or in the garden I helped supervise a group of 11- and 12-year-olds on a school trip to the Yorkshire Dales last week.

Teams work best when individuality is channelled towards supporting the greater good. The football centre forward of my acquaintance who lays on a pass for his better-placed team mate to score is a true team player. But some players know only how to score goals. They might not come back to help in defence, or tackle well, but does this matter if they possess that magical ability of putting it in the net time after time?

Most of the evidence from a study of executive career patterns by Elizabeth Marx at NBS Selection suggests that the average corporate career may have changed less than some might believe. Marx found of the 93 executives in FT-100 companies whose careers she looked at, 87 per cent have no university degree. Those with degrees reached the top no more quickly than those without.

The highly qualified international super-manager is still rare in top UK companies, yet Marx believes he will become less rare in future. She says the younger generation is moving more rapidly among companies and seeking managing directorships at an earlier age.

How many companies, I wonder, would value a PhD student more highly than a graduate with three years' experience at a well-known consultancy.

Retained search practices: the top 10

Table with 4 columns: Firm, 1995 revenue (£m), One-year growth, Number of recruits, and Revenue per recruit (£). Top 10 firms include Heidrick & Struggles, Egon Zehnder International, Arrop International, and Ward Howell International.

international revenues table. Norman Broadbent made the top 10 for 1995. It will be interesting to see whether it will be able to maintain that position this year after the departure of Miles Broadbent, earlier this year. Egon Zehnder appears to have the most productive headhunter company, with its recruiters bringing in \$908,696 each on average. ERN, tel (001) 603 585 3101

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- Possess strong written and oral communication skills. ■ Be numerate, preferably with an understanding of performance measurement and associated statistical techniques. ■ Be confident and able to liaise with clients at all levels of the company in the UK and overseas.

The successful candidate will join a small, dynamic and successful team. Success in the role will lead to good prospects for career development. The position carries an attractive package with excellent banking benefits.

Please send your full curriculum vitae (including details of current remuneration) in the strictest confidence to Sara Morris, Personnel Manager, Rothschild Asset Management Limited, Five Arrows House, St. Swinburn Lane, London EC4A 3DF.

Business Guru for Software Co.

Explosively energetic business person (with mgt/acc quals) sought for new software Co. (as shareholder) to join R&D team in creating revolutionary business software (for world-wide market).

J Friedman 01582 696911

APPOINTMENTS WANTED

FINANCIAL CONTROLLER/ GLOBAL AUDIT MANAGER (45) Heavyweight financial professional with a proven track record in many years varied world business experience (banking, services & utility industries), Swiss & Irish working Citizens & French. He used to working concurrently from his own office in Zurich or would consider relocating. He desires a permanent or contract position in finance or internal audit.



European Investment Bank A career in the heart of Europe

Financial Lawyer (m/f)



Duties: Working within a specialised unit handling the legal aspects of the Bank's financial activities, he/she will be required to provide legal assistance to the Finance Directorate. As well as assuming advisory, research and support responsibilities in the financial field (in respect of borrowings, public issues, derivatives, etc.), he/she will maintain relations with national authorities and other financial institutions.

Qualifications: Degree in Law, preferably specialised in banking and financial law (i.e. with a bias towards legal matters other than those solely falling within the scope of Common Law/US Law).

Proven operational experience in a similar legal position within a bank, financial institution or firm of lawyers involving a hands-on approach to capital markets (including those of the European Union) and to related financial instruments. Familiarity with EDP tools and ability to work under pressure.

Languages: Excellent command of English or French and sound grasp of the other. Knowledge of German would be an advantage. The EIB offers attractive terms of employment and salary with a wide range of welfare benefits. Applications from female candidates would be particularly welcome.

Applicants, who must be nationals of a member country of the European Union, are invited to send their curriculum vitae, together with a letter and photograph, quoting the appropriate reference, to: EUROPEAN INVESTMENT BANK Recruitment Division (Ref.: JU 9620) L-2950 LUXEMBOURG. Fax: +352 4379 2545.

Applications will be treated in the strictest confidence and will not be returned.

INSTITUTIONAL FIXED INCOME SALES

Fixed Income relative value sales desk seeks qualified individuals to join sales effort focusing on global Sovereign Debt & Derivatives Securities such as listed & OTC options, swaps, swaptions, structured products, etc.

This group is part of a major international bank with AA credit. All of Europe, Middle and Far East open for coverage. Please fax your resumé to Dublin office (353) 1 605-0480, Attention: European Sales.

The Federation for projects connected to the International HUMANA People to People movement seeks:

- Child Aid Program managers ● Vocational school headmasters ● 2nd managers building projects ● Headmaster Street Kid Schools and others.

The activities are in the rural areas in Zimbabwe, Angola, Zambia and Mozambique. Responsibilities: economy, planning, expansion and daily running of the activity.

The applicant must have experience from similar work, and experience from work in Africa is an advantage. Application with full C.V. must be sent to: Headquarters c/o DAPP P.O. Box 4667, Harare, Zimbabwe

APPOINTMENTS WANTED

DOCUMENTATION MANAGER (35) BSC HONS. (LONDON), SFA Regd rep. 5 years' banking experience - Euro MTN / Eurobond documentation, syndication, warrant sales. Management and accounting experience. Urgently seeking challenging, rewarding opportunity with progressive bank or securities house. Write to box A5641, Financial Times, One Southwark Bridge, London SE1 9HL

Experienced team involved in Asset Swap sales/trading seeks new opportunity.

Please send replies to Box No A5655, Financial Times, One Southwark Bridge, London SE1 9HL.

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Advertisement for recruitment services

Product development at LIFFE

Two challenging management opportunities

The development of innovative products in line with international market demand has helped to secure LIFFE's position as a world-leading financial marketplace. With direct influence on our strategic and operational development, these key management roles in our Business Development department are crucial to our continuing success.

In both cases, we're looking for people who can back "hands on" technical expertise with excellent management skills. If you have what it takes to make an impact within a very fast-moving, multicultural environment, we'd like to hear from you.

Manager - Equity Product Development

Reporting to the Head of Equity Products, you will lead a top level team of members and employees to ascertain key needs, lead a small team generating innovative ideas for new and existing equity contracts, and drive these through to completion. First-class communication skills are essential, ideally backed by experience of OTC equity markets, stock index development and derivative product research in a project-driven environment. Ref: M/EPD.

Both roles offer excellent opportunities for further career progress within LIFFE. Highly competitive salaries are backed by a full range of large-company benefits including a car. To apply, please write in confidence, enclosing your full CV plus details of present remuneration, to Deirdra Saliba, Personnel Department, LIFFE, Cannon Bridge, London EC4R 3XX. (Please quote the appropriate reference on your envelope.)

LIFFE
The London International Financial Futures and Options Exchange

Manager - Interest-rate Product Development

Reporting to Director level, you will champion the development of interest-rate products within LIFFE. Liaising directly with the senior management of major international financial institutions, you will lead the product development team and drive new ideas from initial research to final implementation. Entrepreneurial in approach with excellent conceptual, strategic and project management skills, you will need both experience and in-depth understanding of interest-rate products. Ref: M/IPD.

United Nations Children's Fund

The United Nations Children's Fund, with Headquarters in New York and offices throughout the world, seeks qualified candidates for the following positions:

SENIOR INTERNAL AUDITOR (P-5) INTERNAL AUDITOR (P-4)

Duty Station: New York, USA

Review, evaluate and report to the Executive Director through the Director Office of Internal Audit on the soundness, adequacy and application of system procedures and related internal controls. Appraise the operational efficiency and economy with which all financial, physical and human resources are utilized.

Minimum Qualifications: Advanced university degree in accounting, business administration, economics or related field. Minimum of ten and eight years respectively of progressively responsible experience at the national and international levels in financial, operational and management auditing work. Candidates should hold CPA and/or CIA designation or equivalent. Working experience in developing countries a definite asset. Skilled in modern audit techniques (e.g. computers, forensic and investigatory). Fluency in English and French or Spanish or Arabic. UNICEF, as part of the United Nations Common system, offers competitive international salaries, benefits and allowances. Please send detailed resume in English, quoting reference number VN-96-112-FT (P-5) or VN-96-003-FT (P-4) to: Recruitment and Placement Section (GEM), UNICEF, 3 UN Plaza (3F-3F), New York, NY 10017, USA.

Qualified women are encouraged to apply. Applications for this position must be received by August 21, 1996. Acknowledgment will be sent only to shortlisted candidates.

UNICEF is a smoke-free environment.

Project, Corporate Finance and Banking Lawyers

Middle East - attractive tax free salaries and package including car and subsidised housing

Our client is a large, high profile international corporate practice (New York HQ, 30 offices world-wide, 700 lawyers) with a strong 20 years presence in the Middle East. Following significant growth in large project and corporate finance and banking transactions throughout the Middle East, North Africa and Indian subcontinent which are handled by the Jeddah and Riyadh offices, a key vacancy has arisen in each location.

In Riyadh, the requirement is for a Lawyer with five to seven years PQE to lead up and develop the practice. Applicants should have proven experience of running large scale project financing or banking transactions, show management potential and be capable of business development throughout the Middle East and North Africa. (Ref: 1304)

The vacancy in Jeddah is for a Lawyer with three to five years PQE and a bias towards corporate finance to join an established team which runs a substantial project finance practice. The incumbent will help develop a sustained commitment to large project finance and banking transactions, M & A, privatisations and general Middle East practice. (Ref: 1305)

Applicants with first rate qualifications and PQE at a major City firm (or equivalent) must be adaptable, diplomatic, able to work independently and as part of large teams and be sensitive to multi-cultural environments. Some language facility would be advantageous, though not essential. Prospects are good within the firm following a minimum three year commitment to the Middle East.

Applicants should send a CV and daytime telephone number which will be treated in the strictest confidence, quoting reference number to Tony McKiddie/Chris Elliott at Kidsos Interq Search & Selection Limited, 29 Pall Mall, London SW1Y 5LP Fax: 0171 975 1116 E-Mail: 106141.3404@Compuserve.Com.

PROJECT DIRECTOR DESIGNATE FOR MAJOR RUSSIAN CORPORATE FINANCE PROJECT

We are seeking an experienced project manager to fill a key role in a major Russian corporate finance project. The project is expected to last 2 years.

The priorities for the skills and experience needed by this person are:

1. Extensive experience as the project manager of complex, long term assignments involving a variety of high quality firms and individuals from western Europe and Russia;
2. Russian experience, especially in dealing with both companies and government authorities;
3. Strong corporate finance background, particularly in raising finance for and privatising unquoted companies;
4. Russian residence (or willing to take it up 2 years);
5. Russian speaking.

Please reply with CV to GMA Capital Markets Limited, 113 Warford Court, 29 Throgmorton St., London EC2N 2AT Fax: +44-171-628 3854 E-mail: cv@gma.co.uk

EQUITIES RESEARCH

Emerging Markets

London based

Our client is a major UK investment bank with a leading position in pan-European Equities. As part of their growing commitment to emerging markets, they are now looking for an experienced analyst to join their highly rated equities research team. Primarily, you will be focusing on Hungary and the Czech Republic, although you will also be expected to work on a range of other markets in the Central and Southern European region. In addition, you will help to market related products to a broad base of institutional clients. To qualify, you must have a proven track record in equities research, preferably gained in European Stock Markets - possibly as either a sector or country analyst. Candidates will have a high level of academic achievement, with a good first degree and ideally a post graduate qualification. You will need to be confident and have good communication skills and compelling powers of persuasion. Fluency in at least one East European language would be an advantage.

On offer is a highly attractive rewards package including a wide range of banking benefits. You can also look forward to working in a challenging environment with excellent prospects for career development.

To apply, please write enclosing full CV and quoting ref: 492 to: Alastair Lyon, Confidential Reply Handling Service, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

Applications will only be forwarded to this client. However, please clearly indicate any organisation to which your details should not be sent.

INTERNATIONAL MONETARY FUND

... making candidates for a Deputy Chief, Compensation Policy for our headquarters in Washington, DC (USA).

The Deputy Chief's primary contribution is to the development and management of the staff compensation and job evaluation systems of the International Monetary Fund. In a challenging international environment, the Deputy Chief has a significant role in developing salary and benefits policies, designing and overseeing the conduct of compensation surveys, formulating proposals for periodic adjustments in the Fund's salary structure, administering the Fund's job evaluation system, and conducting and supervising the conduct of job audits.

An advanced university degree in human resources or business management, or related field, is preferred, together with at least ten years experience in human resources management, including significant experience of senior levels in compensation and job evaluation. The successful candidate will have excellent written and verbal communications skills in the English language, strong analytical and quantitative skills, and ability to work effectively with multi-national staff of all levels of the organization.

Appointment will initially be for two years with long-term career possibilities based on performance. Internationally competitive salaries and benefits, including relocation to Washington, D.C., are provided.

Candidates should submit their curriculum vitae BEFORE September 5, 1996, with references to this position. Please indicate clearly a telephone or fax number where you may be reached.

INTERNATIONAL MONETARY FUND
RECRUITMENT DIVISION, Room IS9-100
700 19th Street, NW
Washington, DC 20431 USA
TELEPHONE: (202) 623-7333
INTERNET: "recru" @imf.org

A GREAT CAREER OPPORTUNITY WITH A MULTINATIONAL ISLAMIC INSTITUTION

ASSISTANT GENERAL MANAGER COMMODITY TRADING

We are a GCC based multinational Islamic Institution, intra-trading essential soft and hard commodities. To keep pace with our progress, we seek to appoint a high-calibre Muslim individual as Assistant General Manager. Applicants are invited from highly motivated and articulate business executives with an excellent track record.

Job Responsibility: You will be responsible for our day-to-day trading operations and also provide support in the general management of the company.

Qualifications & Experience: You should be ideally between 40-45 years and be educated up to post graduate level. You should have around 15 years of successful track record in trading of commodities on global basis and be capable of handling international tenders, barriers, counter trade and the Islamic Instruments: morabahas, modarabas, musharahas, etc. Fluency in English language and working knowledge of Arabic and French will be useful.

The remuneration package will reflect the importance placed upon this key management position and will be commensurate with experience and capabilities.

If you can accept the challenge of this exciting opportunity, please send your curriculum vitae in confidence, together with two photographs, the latest by 31st August '96, to the following address. Please mark the envelope - "Confidential / AGM".

The Advertiser, P.O. Box 7434, Dubai, U.A.E.

CORPORATE TRUST OFFICER

Due to significant new business in its Corporate Trust Division, The Bank of New York, a leading financial institution and a recognised leader in Corporate Trust, currently has an excellent career opportunity available for an experienced Corporate Trust Administration Officer.

Responsibilities include a wide range of challenging duties such as customer relationship management, document review, supporting new accounts, consulting with counsel and representing the Bank at closings and engaging in a selective marketing program.

Candidates should be highly motivated, organised and detail oriented and with a minimum of 5-7 years Corporate Trust experience.

A competitive salary and benefits package will be offered. Written applications ONLY please including full CV to Maria Gigli, Personnel Officer, The Bank of New York, 46 Berkeley Street, London W1X 6AA.

THE BANK OF NEW YORK

INVESTMENT MANAGER

Every & Phillips and Dunning

£ Attractive Honorary
Leading East Devon Solicitors seek a Manager for their growing Investment Department.

Applicants will not necessarily be in a leading role at present, but should have a good knowledge of UK and Overseas Stockmarkets and be committed to achieving the highest standards.

Performance incentive available.

Please write with full CV to Richard M P Howe at 130 High Street, Honiton, Devon, EX14 8JR

SALESPERSON

Convertible Bonds

London based

Our client, a prestigious US Investment Bank, is looking for an experienced Convertible Bonds Salesperson reporting to a senior Vice President.

The following attributes are essential:

- Experience in selling Warrants and SE Asian Convertibles, Warrants and Structured Products to international clients and exposure to US client base, where you will have forged a network of relevant client contacts in the relevant areas.
- You should have a legal qualification, with experience in the creation and documentation of Structured Products.
- Specialist knowledge of legal framework and experience in Japanese Securities Industry.
- Proven quantitative and analytical skills in Equity Derivatives.

- MBA and track record of academic excellence.
- Knowledge of French.
- Ability to develop and implement a business plan for entry into new markets.
- High level of integrity together with excellent communication and leadership skills.

The remuneration package tailored to the successful applicant will be competitive.

To apply, please send your CV with a covering letter, quoting ref: 497, to: Alastair Lyon, Confidential Reply Handling Service, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

Applications will only be forwarded to this client, but please state clearly any organisation to whom your details should not be sent.

ACCOUNTANCY APPOINTMENTS

FINANCE DIRECTOR, BUSINESS TO BUSINESS MEDIA GROUP, AMSTERDAM

0171-377 1600

Salary £100,000 pa plus, with substantial benefits

The company wants to recruit a finance director who among other things has successfully negotiated acquisition finance. So far the company's growth, with turnover increasing from \$100 million in 1990 to about \$350 million this year, has been largely organic and self financed, but this is set to change. It wants to become more acquisitive.

The ideal background would include a pivotal role within an international media or service group with a good record in tax, cash management and treasury, and successful expansion through externally financed acquisitions. That said, the client company is open to persuasion and no particular sectoral experience will be excluded.

The qualities of personality the company wants could be said to be the ability to negotiate and persuade, particularly externally, coupled with precision. The style would be one of dynamism with the pragmatic ability to organise and motivate from a distance - the job is based in Amsterdam, the business is global.

The success of the company - it has comprehensively outperformed all its competitors including those that are quoted - is based on employee accountability, generous rewards and tight financial control. The level of communication and cooperation between the offices in 25 countries worldwide is as impressive as it should be for a company whose product is communication.

The position should appeal particularly if you have been denied by red tape or slow corporate decision making. If you are sure you are capable and would like to interview, call Bob Grylls today.

Recruitment Matters, 15 Great Eastern Street, London EC2A 3EJ
Telephone: 0171-377 1600/0171-614 9900 Fax: 0171-377 1801

Acquisitions

Deputy Editor

Salary - £25,000 + bonus

Europe's leading mergers and acquisitions magazine seeks a deputy editor to join its established editorial team which includes an editor, features editor, and two reporters. You will be expected to contribute both news and features to the magazine and to write with confidence and flair. You will already have excellent editing skills and be familiar with QuarkXpress page make-up, while some knowledge of the printing process would be useful. The deputy editor is also expected to contribute new ideas in terms of magazine content and new projects.

In addition to your solid journalistic skills, you will have a good overall understanding of the M&A and private equity markets and some knowledge of related capital markets. Excellent high level contacts in investment banks and major companies would also be an advantage. Finally, in a pressured environment a sense of humour is vital.

Please apply in writing to: Philip Henley, Editor & Publisher, Acquisitions Monthly, Tudor House, 79 Mount Ephraim, Tunbridge Wells, Kent TN4 8BS

FINANCIAL ANALYST BASED AT RAINHAM, ESSEX

Carpentry is the UK's leading specialist carpet retailer and is continuing its rapid growth and development.

A financial analyst is required to support the Head Office management team in evaluating business performance and options.

We need a self motivated person with strong analytical, PC and modelling capability who can apply these skills to support the management and development of the Company.

If you are the right person to join this fast moving company please write giving full career details and current salary to:

Personnel Department, Carpentry plc, Amberley House, New Road, RAINHAM, Essex, RM13 8QN

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Corporate Finance
Lawyers
tax free salaries
and subsidised housing

Finance Director

Major plc subsidiary

£60,000 + Bonus & Benefits

Thames Valley

Challenging opportunity for experienced finance professional to join a reputable industry leader.

THE COMPANY

- ◆ Profitable £60m contract engineering subsidiary of quoted diversified international group. Six UK regional branches, 600 staff. Consistent increase in market share through recession.
- ◆ Designs, supplies and services M&E systems in commercial, industrial and public buildings. Long-term contract relationships with clients.
- ◆ Acquisitive. Very experienced senior management team.

THE POSITION

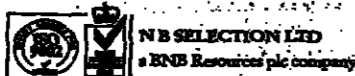
- ◆ Full responsibility for financial management/external reporting, Company Secretary and administration. Report to MD.
- ◆ Drive programme to update MIS. Introduce new forecasting and budget procedures.

- ◆ Standstill evaluation of long-term contract performance to maximise revenue. Identify and negotiate opportunities for further profit.

QUALIFICATIONS

- ◆ High calibre finance professional with long-term contracting background, probably from construction or related industry. Understanding of valuation procedures essential.
- ◆ Systems-orientated with successful history of innovation and improvement in large company environment.
- ◆ Confident, credible leader and communicator. Active, determined agent of change. Strategic vision.

Please send full cv, stating salary, ref SL60808, to NBS, 7 Shaftsbury Court, Chelvey Park, Slough SL1 2ER



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Financial Controller

c.£50,000 + Car + Excellent Benefits Package

West Midlands

Business-oriented professional for newly-created role in high-profile group engaged in the manufacture and international distribution of a strongly-branded, engineered product.

THE COMPANY

- ◆ Highly profitable, £200 million turnover operation with strong UK position and growing internationally. Complex and highly competitive sector.
- ◆ Ambitious plans for growth. Lean, flat structure; pressured, challenging and stimulating environment.
- ◆ Practical, direct and commercial culture. Excellent career development opportunities.

THE POSITION

- ◆ Full responsibility for financial control. Challenge and advise directors and senior management across the business.
- ◆ Manage and organise team delivering budgeting, management reports, project evaluation and capital appraisal. Further develop and enhance robust systems to manage complex cost structures, varied sales channels and sophisticated financing arrangements.

- ◆ Member of senior management team. Autonomous role, reporting to and working closely with Finance Director on strategic issues.

QUALIFICATIONS

- ◆ Qualified accountant with strong business and commercial acumen developed in manufacturing environment. Credible at senior management level.
- ◆ Well organised; strong planning and analytical skills, high work rate and performs well under pressure.
- ◆ Bright and articulate. Strong interpersonal skills. First-class financial control skills combined with capacity for lateral thought and business perspective.

Please send full cv, stating salary, ref LD60801, to NBS, Yorkshire House, Graek Street, Leeds LS1 5SX



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Manchester • Slough • Madrid • Paris

FINANCIAL CONTROLLER

AMSTERDAM, THE NETHERLANDS

\$70K + RELOCATION

Our client is one of the world's leading Food & Beverages companies. With operations in more than 150 countries the company generates a turnover of approx. NLG 10 billion and employs more than 20,000 people worldwide.

Due to strong expansion foreseen over the coming years they are now looking to strengthen their Financial Control department by recruiting a controller who will be reporting to the Director of Control. The aforementioned department focuses on assisting all levels in the corporation in optimising their (financial) performance.

Your main responsibilities will be:

- designing and implementing policies and procedures in order to

optimise and realise long term strategic and operational planning by operating companies as well as Head Office

- review and analysis of (financial) performance of operating companies and Head Office
- assisting in acquisitions
- innovating and upgrading management information systems.

For this most attractive opportunity it is envisaged that the successful candidate will be educated to degree level with at least 8-10 years experience gained working for international businesses being able to demonstrate excellent career progression within senior (operational) financial positions. There is a strong preference for

candidates that have been exposed to the FMCG industry. Excellent presentation, analytical and communication skills are essential as well as the ability to look from different aspects at the business. The business language is English, but a second European language is desirable. International travel will be required.

The group offers outstanding international career opportunities.

If you are interested in this opportunity, please contact Maurits A.N.M. Claassen on (3120) 6444 655, and/or send your CV to Robert Walters Associates, 'Rivierstaete', Amsteldijk 166, 1079 LH Amsterdam, The Netherlands. Fax: (3120) 6429 005. E-mail: maurits.claassen@robertwalters.com

ROBERT WALTERS ASSOCIATES

L O N D O N A M S T E R D A M B R U S S E L S S Y D N E Y W E L L I N G T O N

Financial Controller

Environmental Consultancy

Henley-on-Thames

c.£35,000 + share options

The environmental market is growing rapidly. £300billion by the end of this century. Our client is a fully integrated Environmental group, whose turnover is expected to grow to £50million by the end of 1997 when flotation is planned. They have recently acquired a dynamic and innovative business which provides consulting, bespoke software and contract research services to large industrial and government organisations around the globe. The acquired business has a number of office centres with a strong international presence in key markets.

The acquired business requires a commercially orientated Financial Controller. Reporting to the divisional Managing Director, the Financial Controller will have responsibility for:

- Establishment of a central administration function to support the national and international offices including the development of business strategy and product enhancement.
- Implementation of new management information systems and operating controls.
- Management of cashflow in accordance with Group treasury procedures.

- Preparation of all financial statements and consolidated monthly management accounts.
- Ad-hoc projects as a Group resource including the assessment and development of newly acquired businesses.

The successful candidate will be a graduate calibre qualified accountant with a proven track record within a commercial environment. Exposure to project costing and billing systems is desirable although not a pre-requisite. Applicants should be able to offer strong personal presence and combine both a hands-on approach and the intellectual ability to contribute to strategic decisions.

In return, the Group is growing exponentially and will give the successful individual the opportunity to make an impact in an exciting and relevant business.

If you are interested in applying for the role, please send a full CV, salary details and daytime telephone number, quoting reference 298606 to Peter Island at Michael Page Finance, 40-42 High Street, Maidenhead, Berkshire SL6 1JQ.



Michael Page Finance

Specialists in Financial Recruitment
London Bristol Birmingham Edinburgh Glasgow Luton Slough
Leeds Manchester Nottingham St Albans & Woodville

Financial Executive

Manchester

c.£40,000 + Benefits

Our client is a fast moving service organisation and is an autonomous subsidiary of a world recognised media group. With a current turnover of £225 million and a track record of profitable growth, they are now poised to take further advantage of new market opportunities.

As part of this expansion, they seek to appoint a commercially minded Financial Executive who will be an integral part of an innovative and entrepreneurial management team.

Working alongside the Managing Director, your duties will include:

- Formulation and implementation of the company's plans and strategies.
- Ongoing development of MIS and business controls.
- Motivating and developing accounting staff.
- Profit improvement via ABC and BPR projects.

- Oversee all financial and management reporting in line with group requirements.

The successful candidate will be a qualified accountant age 30+, demonstrating a track record of achievement within a customer focussed service business. You will need to demonstrate initiative and drive, together with the strength of character to challenge ideas and be a catalyst for change. Well developed communication and presentation skills are a pre-requisite, backed up by the ability to negotiate effectively.

Interested candidates should write, enclosing their curriculum vitae to Dean Ball at Michael Page Finance, Clarendon House, 81 Mosley Street, Manchester M2 3LQ, quoting reference 301790.



Michael Page Finance

Specialists in Financial Recruitment
London Bristol Birmingham Edinburgh Glasgow Luton Slough
Leeds Manchester Nottingham St Albans & Woodville

OTC Derivatives - Proprietary Trading

Outstanding opportunities for high calibre Qualified Accountants (0-4 years PQE)

Business Area Controllers

Deutsche Morgan Grenfell, the investment banking arm of Deutsche Bank, operates the world's largest AAA rated institution, operating in over 30 countries with over 7,000 staff.

As a leading European investment bank and one of the top investment banks in the world, it is essential that it attracts and develops the very best people.

Due to the rapid expansion of the global markets control area a number of vacancies are currently available for exceptional qualified accountants possessing financial services experience.

These key roles are unusually broad in scope and will cover structured and vanilla derivative product trading activities. Paramount to the successful performance of the roles will be building extremely close and proactive working relationships with product heads and trading staff.

Highly competitive packages

Specific responsibilities will include:

- Product Performance Review
- Risk Analysis
- New Product Implementation
- Pricing Verification
- Financial Analysis and Control
- Systems Development

The department is developing rapidly and is poised for extensive growth in line with increased business levels. High calibre individuals can expect rapid progression along with ongoing technical and professional development.

Prospective employees should be qualified accountants currently working in banking institutions or financial services groups within public practice. Candidates should possess strong academic and professional track records, coupled with self motivation, initiative, commitment and a strong technical ability.

Interested applicants should contact Paul Marsden or Jonathan Astbury at Astbury Marsden Search and Selection on 0171 353 7839 fax 0171 353 7703, alternatively write to us enclosing your CV to: Hamilton House, 1 Temple Avenue, London EC4Y 0NA.

Deutsche Morgan Grenfell



Business Analyst

Essex/Herts border

c. £30,000 + car

Our client is a multinational healthcare business, a front-runner in the provision of medical products and therapies. The UK business is at the leading edge of life enhancing and life saving technologies in a fast-changing market sector in which they have an exceptional record of profitable growth.

The Business Analyst of this £60m UK division will have the commercial acumen to provide strong financial influence in the sales, marketing & product management areas of the business. This is a highly proactive role which places emphasis on using the forecasting and financial control skills necessary to ensure that both business and financial targets are met.

Candidates, probably aged 25-30, will have initially trained and qualified with a significant commercial group or within an international firm of CAs. Post qualification experience should give evidence of your ability to interface outside finance, meet deadlines and solve non-routine problems.

This is an upward career opportunity in a major worldwide business which sees all staff as a valuable asset and which has a real commitment to personal development and progression on merit.

JEFF
ADCOCK
ASSOCIATES
0181 505 0544

Please forward your CV initially to:
Jeff Adcock, Recruitment Consultant,
Jeff Adcock Associates
12a The Broadway, Woodford Green
Essex IG8 0EL

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TRAINING

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SEARCHING

SEARCHING

SENIOR MANAGER Finance & Accounting - Berlin

Think big. Control costs for Europe's largest integrated construction project.

The incredible 'Sony Center am Potsdamer Platz' - a state of the art DM 1.5bn office, residential, retail and entertainments development in the heart of Berlin - is now moving into the main construction phase.

Which makes now the time to bring in an English and German speaking qualified accountant with solid real estate development experience to keep a keen eye on all construction costs in conjunction with the project joint venture partners and providing accounting, budgetary and tax reports for Sony's Europe and worldwide headquarters.

Reporting to the Finance Director, you will need swift analytical skills, the ability to secure consensus-based results and the dynamism to influence a small but highly efficient multinational project team. You'll also need a sound knowledge of German and US accounting principles and a familiarity with German tax law would be an advantage.

As you'd expect, this high profile role comes with an excellent senior level package including car and relocation. The initial contract term will be four years but the prospects for further project management involvement are very good indeed.

Please send your full CV, covering letter and salary details to Steven Waterhouse, Human Resources Manager, at the address below. For further details about the project, visit our website at <http://www.sony.co.jp/InterChange/Berlin/index.shtml>.



SONY

SONY EUROPE GMBH, HUGO-ECKENER-STRASSE 20, D-50829 COLOGNE. TEL (0049) 221-5966-6638

General Auditors

WITH IT EXPERIENCE

£60,000 PA + CAR + BENEFITS

Our client is one of the world's leading consumer goods companies with a turnover of £1 billion and an outstanding portfolio of products. The company is now being sold through a worldwide network of independent financial advisers and continued growth has created a number of high calibre qualified accountants (minimum 3 years experience) who are interested to join our International Audit Team.

The role involves conducting high level operational reviews of the company's business and functions. Your experience to ensure the company has a sound understanding of systems and internal controls, together with knowledge of BCS, SAP and/or CINCOM systems, will be an advantage.

As a member of the team, you will have a good understanding of the company's financial environment and the ability to liaise with a variety of installations across different countries.

Excellent salary, excellent and communication skills will be an advantage at all levels.

Please apply in writing to our advising consultant, Paul Greenwell, at Questor International Limited, 3 Burlington Gardens, London, WC1R 4AP. Tel: 01753 636363. Fax: 01753 636363. Email: paule@greenwell-connections.co.uk or paule@greenwell-connections.co.uk. For a free brochure, please telephone him on 01753 636363.

GUINNESS PLC

FINANCIAL CONTROLLER

Management Consultancy

Oxfordshire

Attractive package

Our client is a highly successful international group, engaged in the provision of specialist management consultancy services. A well established and reputable market leader, the company numbers many 'blue-chip' groups amongst its client base, with operations throughout Europe, Asia Pacific and North America. After a successful 1995 the company is now committed to further extending its competitive advantage by way of organic and acquisition-led growth strategies.

THE POSITION

- A newly created role, reporting to the Managing Director, driven by the continuing expansion of the business.
- Significant operational and commercial input, beyond the remit of pure finance, at a time of considerable change in the business.
- Full responsibility for the management of the finance department, including all accounting deliverables, in addition to budgets and forecasts, planning, analysis and systems development.
- A strongly quality-driven organisation, becoming progressively more internationally-focused.

QUALIFICATIONS

- Qualified accountant, with significant post qualification experience in business-to-business/service sector organisations.
- Must demonstrate strong accounting and controls expertise, allied to well-honed commercial and analytical skills.
- Interpersonally strong, comfortable operating at Board level. Able to form judgments and marshal arguments in support of business cases.
- A flexible and pragmatic approach, able to command respect and credibility in a fast moving business.

Interested candidates should write, enclosing full career and current salary details, to the advising consultant, William Greenwell, at Questor International Limited, 3 Burlington Gardens, London W1X 1LE. Please quote reference 230255.



QUESTOR INTERNATIONAL

A Member of the Questor Group PLC Company

Key roles in an exciting new global venture

FINANCE PROFESSIONALS

Exceptional packages - London

Established in July 1995, WorldTel is a transitional, private-sector driven, funding and development company. We bring together client countries, investors and the telecommunications industry through mutually beneficial collaborations on a strictly commercial basis.

We are now seeking to strengthen our London-based team through the following opportunities.

Financial Analysts

We are looking for Financial Analysts to provide high quality support to our Project Directors. You will be responsible for financial modelling, cash flow and IRR analysis.

You must be a highly numerate graduate, with an impressive 3-to-5-year record of achievement in financial or investment institutions. Dynamic, creatively-minded and with a thorough understanding of financial modelling techniques, you must be a confident communicator with good teamworking skills and a real flair for negotiation.

These are ideal opportunities to make an early impact on an exciting new venture and the rewards will be truly exceptional.

Company Accountant

As the company's accountant, reporting to the Chief Financial Officer, you will be responsible for preparing financial reports, managing cash flow, accounts payable, VAT and the payroll, and for liaising with our auditors, banks and other financial advisers.

This role calls for a qualified accountant with an impressive generalist track record, a flexible approach and excellent communication, interpersonal and presentation skills.

To apply, please write enclosing full CV and salary details, to: WorldTel Limited, 21 Lombard Street, London EC3P 3AR. Fax: 0171-280 4325.



ALPS RECRUITMENT CONSULTANTS GROUP

2 London Wall Buildings, London Wall, London EC2M 5PP
Tel: 0171-588 3588 or 0171-588 3576
Fax No. 0171-256 8501

Challenging start-up role building a substantial Pan-European team.

ALPS

DIRECTOR OF FINANCE AND ADMINISTRATION

CENTRAL LONDON

£50,000-£60,000 + BONUS

RECENTLY ESTABLISHED EUROPEAN SUBSIDIARY OF LEADING US SATELLITE DELIVERED TV NETWORK AND MEDIA CONGLOMERATE

The Finance and Administration Director is a key member of the management team, and will be responsible for implementing from scratch the finance, administrative and HR activities required by this fast growing organisation. The successful candidate, who will be a qualified accountant (ideally ACA) aged mid 30's, may well have a background in the media and ideally, but not essentially, will have experience of working for a US Headquartered Group. In this role there will be a mix of hands-on accounting and financial management including budgeting, reporting, formal statutory accounting, as well as initial responsibility for the wider administrative and personnel activities of setting up pensions, health schemes, etc. Essential qualities include flexibility as a team player, who is practical, yet has the creative vision to establish and drive forward the finance activity in a highly dynamic environment. Initial salary negotiable in the range of £50,000 - £60,000 plus performance related bonus, other benefits need to be established and will follow. Applications in strict confidence under reference DFA/5672/FT to the Managing Director, Accountancy and Legal Professions Selection Ltd.

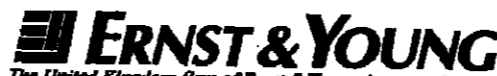
Financial Controller - Europe

C. London - £50-55,000 + s/options

Established in the US in 1989, our client is growing rapidly and achieved turnover in 1995 of \$25m derived from the development and sale of financial trading and risk management systems to major banking customers. Building on this success, the company is now planning a US flotation within the next 12 months. Within Europe, turnover is expected to reach \$18m this year and this is anticipated to more than double over the next three years.

Arising out of this planned growth is the requirement to appoint a European Financial Controller who will functionally report to the US Corporate Controller but have a close working relationship with the European General Manager. The initial brief will be to establish the accounting function for Europe and set up subsidiaries in a number of European locations. Overall, the individual will be fully responsible for all aspects of finance, business forecasting, and contract review and also handle a variety of other responsibilities including premises management, personnel and administration.

- Candidates should be qualified accountants who have already achieved a senior finance position within a small/medium sized rapidly expanding US company, ideally in the software sector. Computer literate and experienced in implementing accounting packages, you should have worked within a European environment and have a sound knowledge of US GAAP. Initially the requirement will be to take a very hands on approach to the role, but the individual must have the commercial judgment and stature to be an effective member of the small European management team and have sufficient experience to assist with the planned future growth.
- In addition to the salary, benefits will include a profit-related bonus, pension and private healthcare and it is anticipated that share options will be granted.
- Please send your curriculum vitae with current salary details and an explanation of how you meet these requirements to Carrie Andrews, Ernst & Young Management Resources, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 3NH, quoting reference CA0037.



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صكنا من الامم

سوي من الامم

Walt Disney Records

BUSINESS & FINANCIAL PLANNING MANAGER

Excellent Salary + Benefits LONDON

Walt Disney Records is a new venture within the Walt Disney organisation, focusing on releasing music and story products from blockbuster properties such as Pocahontas, The Hunchback of Notre Dame and Toy Story. With very ambitious annual growth rates, Disney Records now seeks a highly motivated individual to manage the long term strategic and commercial direction of the business. Reporting to both the Director of Finance and the Label Manager, you will:-

- Analyse, challenge and provide creative input for new product proposals.
- Evaluate and provide sales and profitability data to assist in developing marketing direction.
- Participate in contract negotiations and ensure compliance with 3rd party royalty obligations.
- Manage the strategic planning, budgeting and forecasting process.
- Ensure that appropriate and effective financial controls, procedures and structure are in place.

A Qualified Accountant or an MBA with a financial background, you will have gained significant commercial experience either in the music industry or in an FMCG environment. In order to provide a genuine creative input and to challenge existing work methods, you will have a strong personality, excellent communication skills and the desire to become a key player within this exciting and continually changing organisation.

To discuss this opportunity in greater detail contact Howard Bentwood (quoting Ref: FT0058) on 0171 209 1000, alternatively send a CV to him at FSS Financial, Charlotte House, 14 Windmill Street, London, W1P 2DY. Fax: 0171-209 0001, E-mail address: hb@fss.co.uk

Part of the Magic of The Walt Disney Company © Disney

Living Earth works in partnership with local communities to resolve environmental issues



Dynamic individual needed to manage the financial reporting of a growing international education, environment and development organisation.

Finance Manager
(£19,000)

Suit part or fully qualified accountant. For application form, tel 0171 258 1823

closing date: 23.8.96
charity no: 800672

APPOINTMENTS ADVERTISING

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.

For further information please call:

Toby Finden-Crofts on +44 0171 873 3456
Andrew Skrzynecki on +44 0171 873 4054

FINANCIAL PLANNING
ANALYST

Package

Analyst

Her-

PROJECT ACCOUNTANT

Switzerland

Attractive Salary & Benefits Package

This international financial services organisation has embarked upon a major project involving cost budgeting, financial systems development and the introduction of a cost centre accounting structure.

There is a need for a technically versatile accountant with a minimum of five years experience to work on this project. This challenging role encompasses a variety of responsibilities including:

- Analysis of financial systems, operations and EDP systems.
- Recommendations for the design of a new budgetary control system.
- Design concepts and a new layout for the cost accounting package.
- Liaison with senior management to create a higher acceptance for a budgetary control system and ensure efficient implementation.

The successful individual, aged 25-40, will ideally be a qualified accountant with fluent English (spoken German is advantageous).

Technical ability combined with excellent communication skills and the confidence to liaise with various people within the organisation will be essential to fulfil this role successfully.

Interested candidates should apply with full career and salary details to **Leanne Vaes** at **Harrison Willis**, Cardinal House, 39/40 Albemarle Street, London W1X 4ND. Tel: +44 (0) 171 344 5125. Fax: +44 (0) 171 344 0364. E-mail: hwgroup@hwgroup.co.uk

HARRISON WILLIS

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Part of the Harrison Willis Group

Accounting Manager

European Opportunity

Amsterdam Retail Sector

Our client is a large American multinational, active around the globe. It operates in the fast moving field of fashion products. The European activities are coordinated from The Netherlands, where currently the need exists to recruit an Accounting Manager. The suitable candidate will travel on a regular basis and have daily contact with US Headquarters. This represents an excellent opportunity for a flexible, ambitious accountant.

Tasks and responsibilities:

- Monitor the Europe-wide monthly financial accounting.
- Coordinate the European budget.
- Analyse monthly results, budgets etc.
- Consolidate the European accounts.
- Responsible for European accounting policies and internal controls.
- Review and analyse cashflows and projections.
- Liaise between departments and offices in the US and Europe.
- Sales and flash reporting

Profile of the suitable candidate:

- Preferably a qualified accountant.
- 2-3 years experience in a 'Big 6' firm or relevant experience in a corporate environment (US/UK).
- Comprehensive understanding of US/UK GAAP and International Accounting Standards (IAS).
- Understanding of VAT/taxstar reporting.
- Analytical, detailed and well organised.
- Computer literate.
- Dynamic, outgoing personality.
- Happy to travel within Europe.

Interested candidates should send or fax their curriculum vitae to Michael Page International, 'Apollo House', Gerrit van der Veerstraat 9, 1077 DM Amsterdam, reference ACS/44581, or contact Caroline Stockdale ACA, telephone 00 31 20 5789444, fax 00 31 20 5789440

MP
Michael Page International
International Recruitment Consultants
London Paris Amsterdam Düsseldorf Frankfurt Hong Kong Sydney

Finance Director

ACTIVE PACKAGE

The Company: Our client is a global telecommunications group, with a growth rate of 15% per annum and operating in well over 100 countries world-wide including Russia, Uzbekistan, Azerbaijan and the Ukraine. Their rapidly expanding Russian Joint Venture operation, which is growing at the rate of 25% annually, is now looking to further strengthen the management team with the recruitment of a high calibre finance professional who will be a board member of the Joint Venture Company.

The Role: The successful candidate will include providing leadership and direction to a mixed Russian and UK finance team based at the headquarters in Moscow. Advising the Joint Venture Board and its management on all financial matters relating to equity share, treasury management, asset management and cash flow. Working closely with the Managing Director and having dotted line responsibilities to the UK Finance Director, you will also be responsible for the MTS function as well as the company's external work - specifically related to Russia.

The Person: You will be a graduate with an accountancy qualification ACA, ACMA, ACCA or equivalent. With a minimum of two years' exposure in the Russian market, you must be able to manage a wide range of relationships both internal and external which include banking professionals and tax advisors. First class written and oral presentation skills with fluency in Russian are essential. This represents an unusual opportunity to make an immediate impact within a dynamic multinational group. Energy, creativity and flexibility are all qualities which will enable you to capitalise on the outstanding long-term career opportunities that exist within the group.

Please forward your full resume in the strictest confidence quoting reference no. FT 3014 to: **ANTAL UK**, Shropshire House, 1 Copper Street, London WC1E 6JA, UK. Tel: +44 (0)171 637 2001, Fax: +44 (0)171 637 0949

ANTAL INTERNATIONAL
"Serving Global Emerging Markets"

LONDON • WARSAW • BUDAPEST • MOSCOW • STOCKHOLM • PRAGUE • NEW YORK

Finance Manager

North London £40-45,000 + F/X Car + Bens + Relocation

Our client is a £20 million turnover UK subsidiary of a US international group, providing hi-tech programmes tailor-made to customers in the telecommunications and computing fields. It is a market leader in its sector.

The company is in an interesting and exciting period of expansion and development and is equipping itself with a team of high calibre people to take them forward. As part of this development, the company is seeking to recruit a strong, proactive Finance Manager. This position will report to the Finance Director and specific responsibilities will include:

- The direction and management of the finance function.
- The development of the finance department into a high profile, value-adding function.
- The streamlining of the function through the use of IT.
- The implementation of both financial and non-financial methods of performance assessment and control into the business.

Prospective candidates will be UK qualified accountants, aged 30-50 who have a hands-on approach and are attracted to the prospect of initiating and managing change in a dynamic environment. Previous experience should include the leading of a finance department and the implementation of systems in preferably a manufacturing/service environment.

Personal qualities will include leadership, toughness, ambition, enthusiasm and excellent interpersonal skills.

Interested candidates should write enclosing an up-to-date CV and current remuneration package to **Anne Brown ACA** at **Michael Page Finance**, Centurion House, 136-142 London Road, St Albans, Herts AL1 1SA quoting reference 304029.

MP
Michael Page Finance
Specialists in Financial Recruitment
London Bristol Birmingham Edinburgh Glasgow Leatherhead Leeds
Maidenhead Manchester Nottingham St Albans & Worldwide

Price Waterhouse
EXECUTIVE SEARCH & SELECTION

Financial Controller - Airline Catering

Food and drink for high flyers

Competitive Package Gatwick

As the world's largest airline caterer we aim to be the lowest cost, highest quality supplier of inflight meals worldwide. Our current turnover is in excess of \$15 billion and we supply some 350 million inflight meals annually at 130 locations around the globe. That's almost a million people we need to keep well fed and happy every day of the year! It's quite a task.

We're now looking for an exceptional Financial Controller to work at our key unit at Gatwick.

It's a critical senior financial role working at the very heart of a fast-paced business. You'll have total responsibility for the unit's revenue, expenses pricing and controllable costs. Working closely with the Unit Manager, you'll work with a small team producing current, accurate information vital to the day-to-day management of what is a high quality, price-sensitive business. There are real challenges to be met and real improvements and cost reductions to be made. Make no mistake, it's a tough job and the buck stops with you! You're looking for your first operational role in a highly competitive commercial environment. You're a qualified accountant, probably working as a number two in a not dissimilar environment. Your experience will extend to systems and staff management, and experience of catering or the airline industry would be useful.

To fit into our team-culture you'll need to be outgoing, confident and able to win the respect of both junior and senior colleagues. This is a 24 hour a day business and a commitment to working outside 'ordinary' hours is essential.

If this sounds like your next move, write to our advising consultant, **Jenny Mayes**, quoting G/0087 or alternatively telephone her on 0121 200 3000 for an informal discussion.

Executive Search & Selection,
Price Waterhouse Management Consulting Ltd,
19 Cornwall Street,
Birmingham B3 3DT
Fax 0121 200 2464
E-mail: Jenny_Mayes@Europe.nostra.pw.com

Commercial Finance Manager

East Anglia To £35k + car + benefits

THE COMPANY

Our client is the main operating subsidiary of a £120m turnover plc. An FMCG business operating in the household hygiene and personal care markets, their household name products are mainly sold through the large supermarket chains. The group is in an exciting phase of its development and confidently looking forward to future growth.

THE ROLE

As part of the management team, your brief is to ensure that accurate, timely information is provided to support your colleagues' operational decisions. By applying financial and ratio modelling, measurement and analysis techniques, you will contribute a real insight into the performance of the business. Far from just reporting data, your proactive advice and recommendations will facilitate understanding and directly impact on the financial and commercial success of your unit. This is a critical and high profile role at an exciting phase in the company's development.

QUALIFICATIONS

Candidates will be motivated by the prospect of significant commercial responsibility in a young customer focused business. The successful applicant will be aged 27-33, a high calibre qualified accountant and will preferably have a business planning and forecasting background gained in an FMCG or other consumer focused industry. The strength of your numeracy, analytical and financial abilities will be matched by excellent communication and interpersonal skills, and above all commercial acumen and a real understanding of what makes a business tick.

Please send CV and full salary details to **Brian Byrne**, **Phoenix Search & Selection**, Milton Hall, Milton, Cambridge, CB4 6AB

Cambridge (01223) 441661
Manchester (01565) 723709

Phoenix

ACCOUNTANCY APPOINTMENTS

Hays Accountancy Personnel

PLUMB SIGNS

The Organisation
Plumb Signs Limited are manufacturers of signs, fascias and petrol pricing systems with a blue chip customer base. The company has achieved 50% sales growth to £6 million within the first 12 months. Following the MBO/MBI in June 1995 the company has ambitious plans for the future. Based at a modern 45,000 sq ft factory and offices in Lancing, West Sussex they now seek a Financial Director to help them achieve projected growth.

Financial Director

West Sussex

£35,000 + Bonus
(£6-£12,000)
Share Options + Car

The Role
Key responsibilities include:
• Supervising the day to day and month end accounting including staff supervision
• Monthly management accounts, budgets, forecasts, cashflows
• Review of commercial contract performance including variance analysis
• Preparation of group statutory accounts for review and liaison with auditors
• To deal with all financial accounts, company secretarial / taxation / pension / insurance and audit matters
• Systems enhancement

The Appointee
The successful applicant will be qualified with experience ideally gained in a bespoke manufacturing and/or construction related industry. Equally important is the drive and ambition to become a proactive member of this commercial organisation where a board appointment is a genuine prospect.

To apply please write enclosing your CV and current salary details, or for further information please call our Recruitment Advisor Andrew Edwards, 7-8 North Street Quadrant, Brighton, East Sussex, BN1 3FA. Tel: 01273 287641. Fax: 01273329902.

Move our European Transportation business forward
FINANCE DIRECTOR
Ipswich

The P&O Ferrymasters Group is a progressive and profitable European Transportation Organisation comprising 9 separate legal entities across Europe and Scandinavia and with a turnover of nearly \$200 million.

Internal promotion has created an outstanding opportunity for a highly experienced qualified accountant to play a key role in further enhancing our position as a major player in the European transportation market.

Based in our Head Office in Ipswich, you will report to the Managing Director and make a substantial strategic and tactical contribution to the business by:

- Participating actively in business decisions made by the P&O Ferrymasters Board
- Ensuring the business achieves its financial targets for ROCE, cashflows etc.
- Maintaining and improving financial systems and controls throughout the Group
- Reviewing divisional accounting practices and standards and implementing new accounting software
- Directing and monitoring IT and communication systems
- Constructing and evaluating the financial projections in the budgeting and business planning processes
- Controlling capital expenditure and disposals

To succeed in this challenging high profile role, you will be a fully qualified accountant, ideally with a degree or relevant professional business qualification, and at least 3 years' senior experience within a major corporate environment. Your proven management capability and outstanding interpersonal skills will be complemented by in-depth knowledge of IT systems and a high level of commercial acumen.

In return, you can expect the kind of excellent salary and generous range of company benefits associated with a successful international organisation.

If you believe you can help to move our European transportation business forward, please send your full CV with current salary details to: Mike Bousfield, Group Personnel Manager, P&O Ferrymasters Ltd, Peninsular House, 11-13 Lower Brook Street, Ipswich, Suffolk, IP4 1AQ.



Les Echos

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone:
Toby Finden-Crofts
on +44 171 873 3456

IT City Appointments

TECHNICAL COMMUNICATIONS MANAGER
Object Oriented Architecture

Excellent package - City

Our client, a leading global investment bank, is seeking a talented Technical Communications Manager. Working closely with the architecture team, your primary responsibility will be to capture and clarify the OO architecture in written, technical documentation form and develop an information architecture and technical communications infrastructure.

A quality graduate, your 5-7 years' technical communications experience should have been gained within an object-oriented, leading edge environment. Your blue-chip background should also demonstrate the utilisation of state-of-the-art information delivery technologies to deploy information architectures and the development and delivery of training programmes for OO concepts. This challenging role will be rewarded by an excellent salary and benefits package.

To apply, please send full career details, quoting ref:847, to our consultant Miles Miller at JM Management Services Limited, Chandos House, 12-14 Berry Street, London EC1V 0AQ. Fax: 0171-253 0420. If you have a specific query, please call him on 0171-253 7172 during office hours or on 0374-601911 evenings and weekends. E-mail: jmms@dircon.co.uk

JM MANAGEMENT SERVICES

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If you're looking to move from your present job, or looking to recruit new people, the FT is IT every Wednesday. For more information call Clare Bellwood on 0171-873 3351. No FT, no comment.

BANKING/FINANCIAL

DERIVATIVES

Business analysts with an in-depth knowledge of either Risk Management or Derivatives are required to join this leading world bank. Your brief will include the analysis of new systems, as well as the on-going development of new valuation and pricing models. A strong academic background coupled with a knowledge of C/C++, SYBASE and Client/Server architecture is a distinct advantage. Superb opportunities to join this truly elite team.

To £45k +BONUS

To £45k +BANK BENS

POWERBUILDER/SYBASE

International Investment Bank requires high calibre developers with significant POWERBUILDER and/or SYBASE expertise. Charged with the development of a Bonds market trading system, your role will encompass every aspect of the systems life cycle with an emphasis on user liaison. All candidates must be technically proficient, preference will be given to those possessing strong 'C' programming skills. Excellent opportunities to move into banking.

To £50k +BONUS

C++/MATHS

Top tier American Investment Bank requires financial engineers with solid mathematics and C++ expertise. As integral members of a team supplying market risk information for Fixed Income, your primary activities will include relative value analysis, statistics and development of pricing tools for the trading desks. Highly numerate technicians with superior intellect need only apply. First class rewards within a constantly challenging environment.

To £40k +BANK BENS

C or C++

Bright developers are required to join a young project team designing and implementing systems for a major Investment Bank. You should have a minimum of 18 months' customer-facing experience; technically some exposure to Client/Server, OO technologies, and GUI's is desirable together with programming skills in C, C++ or POWERBUILDER. Really excellent career prospects for self-assured, proactive team players.

To £40k +BONUS

To £40k +BANK BENS

SYBASE/SQL SERVER

Leading global derivatives trader seeks developers to work on the derivatives trading floor. The roles will involve extensive user liaison, and analysis, design and build of a Client/Server front-end connected to a SYBASE database. Responsibilities include application migration issues, problem resolution and the selection of appropriate front-end tools. Solid PC skills and SYBASE or similar product knowledge absolutely essential.

ARC are preferred suppliers to the top financial institutions. This is a selection of current opportunities in the City. We have many more. Our consultants have an in-depth understanding of this market and how it can work best for you, so please call Isabel Blackley or Paul Williams on 0171-287 2525 to discuss your options. Alternatively please send fax or e-mail your CV to us at: ARC International, Recruitment & Consultancy Services, 15-16 New Burlington St, London W1X 1FF. E-mail: arc@itjobs.co.uk. Internet: http://www.itjobs.co.uk

Tel: 0171-287 2525



Fax: 0171-287 9688

NO FINANCIAL OR TECHNICAL EXPERIENCE? NO COMMENT.

Risk Management : City of London : Packages to £60,000

AFA Systems plc supplies application software to the financial services sector. Their software product, MUSKETEER, provides a broad range of functions based on leading industry standard technologies. We are now looking for consultants to implement and support their products in major financial institutions. Both roles will be to assist in the sales process, to implement software in client environments and provide ongoing support.



BUSINESS CONSULTANTS base to £45k - OTE up to £60k
Experienced in Treasury and/or derivatives operations, applicants will have at least 2 years experience in a financial services group or consultancy specialising in this area. Although training will be given, an in-depth understanding of the application is essential.

TECHNICAL CONSULTANTS base to £35k - OTE up to £45k
Experienced in financial systems within a software house, information provider or financial institution, applicants will have a minimum of 2 years experience of Windows NT, Object Oriented design, C++ and SQL Server and/or Sybase.

For all positions a degree of project management skills is essential, plus ability to work unsupervised, and willingness to travel world-wide at short notice - the first 3 months are likely to involve time in South Africa.



Please send your CV, indicating current salary, quoting ref A127, to: APPOINTMENTS INTERNATIONAL 4 Grosvenor, 70 Ridgway, London SW12 9AR. Tel: 0181 946 9662 Fax: 0181 946 5722

FT IT Recruitment appears each Wednesday in the UK edition, and each Friday in the international edition

For more information on how to reach the top IT professionals in business call:
Emma Lloyd +44 171 873 3779
Clare Bellwood +44 171 873 3351

For Banking, Finance & General Appointments please turn to pages 09-12

OPTIMA CONNECTIONS

banking

'C', UNIX-EQUITY DERIVATIVES

City To £45,000 + Bonus + BBS

Working as part of the Equity Derivatives research team, you will be involved in all aspects of quantitative research utilising the technical skills acquired from a systems development background. Candidates will be ideally educated to PhD level in a mathematically based discipline and possess in-depth 'C/UNIX' experience. Specific product knowledge is particularly beneficial.

C/C++ NT-DEBT DERIVATIVES

City To £55,000 Bonus + BBS

One of the top research groups within the City has an opening for a highly numerate developer to work on the development of Analytics and Risk Management Systems. Besides excellent skills in C or C++ on Windows (NT) you will need to demonstrate exceptional problem solving ability coupled with both creativity and enthusiasm.

C++, UNIX-EXOTIC OPTIONS

City To £60,000 + Bonus + BBS

An exceptional C++ developer is sought to work on the development of a new Analytics system for a leading Exotic Options group. They are only interested in the best C++ developers who can also display a high level of business aptitude. A mathematical background and experience of derivative products would be most beneficial.

For more information on these and other opportunities currently available please contact

Optima Connections Limited No.4 Basin Street, London EC1V 9DX
Tel: 0171 608 0990 (24hr answering service) Fax: 0171 608 1205
E-Mail: optima.connections@btinternet.com

SYSTEMS DEVELOPERS

City To £25,000 + Bonus + BBS

One of the City's most technically innovative investment banks, has outstanding opportunities for systems developers. You will be working with the business in a global development environment based on UNIX and NT, optimising your knowledge of C++ and UNIX/NT (to systems admin level). A first class degree is prerequisite, and Comms experience would be useful.

FIXED INCOME-C++, OLE

City To £50,000 + Bonus + BBS

The Fixed Income group of this leading proprietary trading house currently require a solid OO specialist with a thorough understanding of BONDS and IR DERIVATIVES trading. You will have a track record of developing similar trading systems using VC++ under NT, OLE/OCK or CORBA, and CLASS LIBRARIES.

OO-PRICE MODELING

City To £70,000 + Bonus + BBS

The Risk Arbitrage group of this leading Securities House requires an exceptional candidate with a solid understanding of financial analytic models - and their integration with all instruments. You will combine sound C++ and OO/AD expertise, with experience of BOND YIELD, OAS and YIELD CURVE models, SWAPS/OPTIONS PRICING and IR DERIVATIVES.

Net.Works
The FT IT Recruitment section is also available all week on www.FT.com

صكنا من الامل

صباح من الامل

"Make innovation a lifelong habit." KAZUO INAMORI, founder of Kyocera

FINANCIAL TIMES COMPANIES & MARKETS Friday August 9 1996

KYOCERA, world leader in high-tech ceramics, continually develops new uses for its technology in the IT and automotive industry, medicine, electronics and metal processing.

IN BRIEF

Veba cautions after 17% rise

Veba, the German industrial conglomerate, said interim net profits rose 17 per cent to DM743m (\$501m), but warned it would not maintain its strong growth during what is expected to be a lacklustre second half. Page 16

Regent Pacific plans Hong Kong listing Fujitsu, the Japanese electronics group, said it planned to invest about Y150bn (\$1.36bn) in a new Japanese facility to manufacture logic chips, which process signals or data. Page 14

Fujitsu plans new logic chip facility Fujitsu, the Japanese electronics group, said it planned to invest about Y150bn (\$1.36bn) in a new Japanese facility to manufacture logic chips, which process signals or data. Page 14

Kuok group buys into Coca-Cola Amatil Kerry Group, the private Hong Kong-based holding company controlled by Mr Robert Kuok, the Malaysian-Chinese businessman, is to invest about A\$667m (US\$518m) in Australia's Coca-Cola Amatil for a 9.275 per cent stake. Page 14

UK holiday slump restrains Thomson Thomson Corporation lifted second-quarter earnings 6 per cent, with a slump in the UK package-tour market partly offsetting improvements in the Canadian-controlled group's publishing and newspaper business. The travel division's operating profits slid by 23 per cent to US\$27m with a 6 per cent fall in sales. Page 15

Transocean rebound disappoints Transocean Drilling, the Norwegian offshore drilling company targeted in a takeover bid by Soutat Offshore Drilling of the US, rebounded from a net loss of Nkr118m in the first half of 1995 to a Nkr320m (\$50m) net profit. But the result failed to match market expectations. Page 16

UK life groups in £1.46bn merger United Friendly and Refuge Group, the UK life groups, announced a £1.46bn (\$2.27bn) merger in a move which accelerates the pace of consolidation in the country's life assurance sector. Page 17; Lex. Page 12

Ukraine sees worst harvest in 20 years Mr Boris Suplikhanov, Ukraine's deputy agriculture minister, said the former Soviet republic's grain harvest this year would be about 30m tonnes, roughly half the level of 1990. Other analysts said the figure might be as low as 26m tonnes. Both estimates would represent the worst total in 20 years. Page 20

US rally lifts Nikkei 253 points The Nikkei 225 index recovered almost all its loss of the previous day as a rally in US high-tech stocks lifted semiconductor-related shares in Tokyo. The Nikkei 225 index rose 1.3 per cent, ending 253.72 higher at 20,731.31. Page 30

Companies in this issue: ABB, AMR, Apple Computer, Banco Itaú, Banco Santander, Bankers Trust, Bankparis, BSN, Coca-Cola Amatil, Dataquest, Fairfax, First Union Corp, Fujitsu, Fuller, GT Chile Growth, Gilead, Glaxo Wellcome, Hongkong Electric, Infonics, Invesco, Kerry Group, Makhtoshim-Agan, Microsoft, Nokia, Nordbank, Nyx CableComms, OCBC Bank Group, Orion Resources, Pharmacia & Upjohn, Procter & Gamble, Rank, Rank Xerox, Reed Elsevier, Refuge, Regent Kingpin, Regent Pacific, Société Générale, Sons of Gwalia, Swire Pacific, Thomson Corporation, United Friendly, Veba, Whyte and Mackay

Market Statistics: Annual reports service, Bond futures and options, FTSE Actuarial Indices, Foreign exchange, Gilt prices, London share service, Managed funds service, Money markets, New int bond issues, Bourses, Recruit issues, Short-term int rates, US interest rates, World Stock Markets

Chief price changes yesterday: Frankfurt (DM), New York (US), Toronto (US), London (pounds), Paris (FF), Zurich (Sfr), Tokyo (yen), Hong Kong (HK\$), Seoul (won), Taipei (NT\$), Manila (P), Bangkok (Baht), Jakarta (Rp), Singapore (S\$), Kuala Lumpur (RM), Perth (A\$), Sydney (A\$), Melbourne (A\$), Auckland (NZ\$), Wellington (NZ\$), Christchurch (NZ\$), Dunedin (NZ\$), Lima (S/), Bogota (C/), Caracas (B/), Havana (C/), Santiago (P/), Montevideo (U/), Sao Paulo (R/), Rio de Janeiro (R/), Belo Horizonte (R/), Curitiba (R/), Porto Alegre (R/), Brasilia (R/), Salvador (R/), Recife (R/), Fortaleza (R/), Manaus (R/), Belém (R/), Boa Vista (R/), Palmas (R/), Teresopolis (R/), Curitiba (R/), Belo Horizonte (R/), Porto Alegre (R/), Brasilia (R/), Salvador (R/), Recife (R/), Fortaleza (R/), Manaus (R/), Belém (R/), Boa Vista (R/), Palmas (R/), Teresopolis (R/)

Rank primes Xerox stake sale

By Scheherazade Daneshkhu, Leisure Industries Correspondent. The Rank Organisation, the leisure industries group, yesterday paved the way for an early sale of its stake in Rank Xerox, the office equipment joint venture with Xerox, as it unveiled details of a three-month strategic review. It is placing all of its non-Rank Xerox interests into a holding company, Rank Group, in a move which will enable it to effect an early sale of the stake in Rank Xerox without incurring a hefty capital gains tax bill.

The stake is valued at £300m in Rank's balance sheet. Mr Andrew Teare, who became chief executive in April, also announced that the company aimed to raise £300m from the disposal of non-core businesses within two years. Rank also announced a fall in pre-tax profits from £444m to £128m in the six months to June 29 1996. The drop was mainly due to an exceptional gain made last year on Rank's disposal of 40 per cent of its stake in Rank Xerox and a change in the way it accounts for the stake. Pre-tax profits would have risen 11 per cent to £176m on the previous accounting basis.

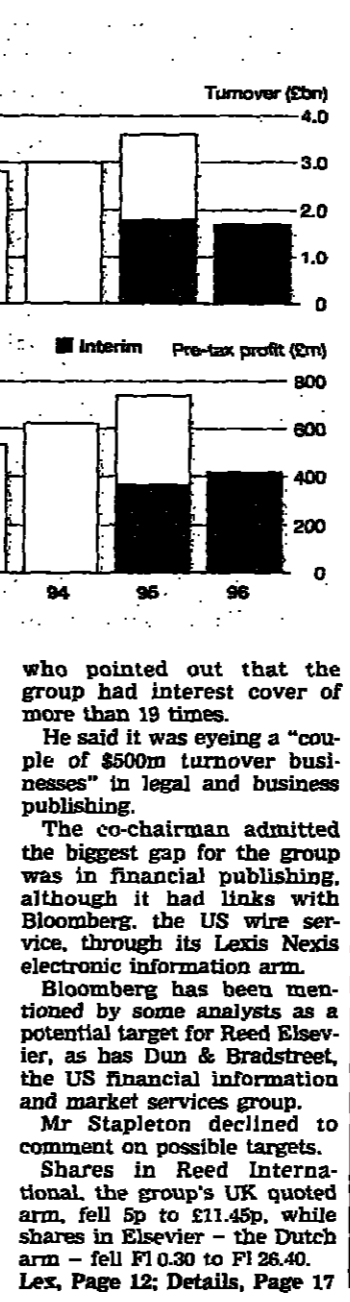
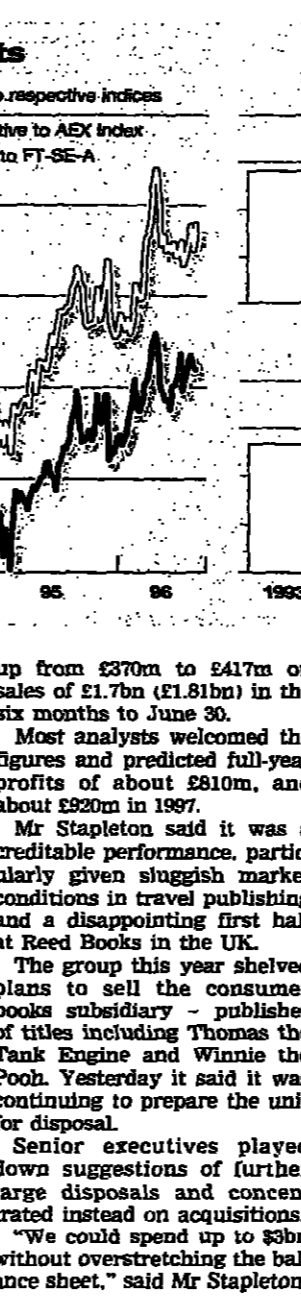
Rank Organisation: Share price relative to the FT-SE-A Leisure and Hotels Index. Xerox, Rank's joint venture partner, is expected to be the main buyer of Rank's stake in Rank Xerox. Rank made its initial £7m investment in the photocopier group in 1956. Mr Teare has regrouped Rank's four main business divisions into Film and Entertainment, Holidays, Recreation and Hard Rock. A Hard Rock record label, Hard Rock resorts and live music in the cafe is planned. Rank said regrouping the businesses would cost £25m this year but expected a pay-back within 18 months. Rank also said it was writing

Reed hints at \$3bn acquisitions



By Tim Burt in London. Reed Elsevier, the Anglo-Dutch publishing and information group, yesterday underlined its global acquisition strategy by paying £100m (\$156m) for Tolley, the UK tax and legal publisher, and hinting at a further £2bn spree. Reed, which yesterday unveiled a 13 per cent increase in first-half profits, said it was seeking acquisitions in scientific, professional and business information markets, particularly in North America. This expansion drive is likely to focus on electronic publishing, which Reed executives predict could account for 40 per cent of group sales by 2005. "Hard copy publishing will not die, but online information is becoming increasingly important," said Mr Nigel Stapleton, co-chairman. He was speaking after Reed

announced plans to develop electronic publishing at Tolley, acquired from United News & Media, the UK media and financial services group. United said it would use the disposal proceeds - together with a further £142m raised since April's merger with MAI - to reduce net borrowings. But United and Reed Elsevier refused to comment on their interest in Blenheim Group, the exhibitions group in talks with both companies. Nevertheless, it is thought negotiations between Blenheim and Reed are continuing at an exploratory level. Mr Stapleton would not be drawn on plans for Reed Exhibitions, which contributed to profits up to £165m (£149m) in the business division. Elsewhere, he highlighted strong growth in scientific and professional publishing as the group reported pre-tax profits



SocGen to raise Crosby Securities holding to 75%

By John Ridding in Hong Kong. Société Générale, the French banking group, is to take a majority stake in Crosby Securities, the investment bank, to form a new Asian brokerage and corporate finance institution, the companies said yesterday. Terms of the deal were not disclosed but the agreement, which gives Société Générale a controlling stake in Crosby's two biggest businesses, will see the French bank raise its holding in Crosby Securities from 49 to 75 per cent. The two companies will also inject US\$20m each into the new institution, which is expected to be called SocGen-Crosby. The agreement marks a strategic expansion in the region for Société Générale and a reversal in strategy for Crosby, the small but aggressive Asian bank which recorded a loss last year and which has seen a string of staff departures. Both companies rejected the description of a takeover, but Mr Timothy Beardson, founder and chairman of the privately-held Crosby Group, said the deal marked a departure from his strategy of selling minority stakes to industry partners. "This is a once and for all choice to be part of a major player," he said. Mr Yves Touloup, managing director of global equity at Société Générale said the deal would marry Crosby's expertise and contacts in the Asian region and the French bank's capital base of US\$12bn. This would allow the new institu-

tion to be a force in regional primary market operations. "We intend to be very aggressive in penetrating the market," he said. Since its foundation in 1984, Crosby has established offices in 20 countries, with its main operations in Hong Kong and Singapore. It has a strong reputation in research, but its presence in primary corporate finance activities has been limited by its size. Crosby Securities has suffered a string of departures, including the managing director of its Singapore securities operation, its head in India and several research analysts. In response, Crosby has announced a management reshuffle. Under the terms of the agreement, SocGen-Crosby will comprise Crosby's stockbroking and equity corporate finance divisions, which account for most of its 600 staff. Crosby Financial Holdings, the private Crosby Group company, will retain a 25 per cent stake in SocGen-Crosby. Mr Beardson will remain chief executive until a replacement has been nominated by Société Générale. He will then focus on Crosby's businesses in fund management, debt securities and debt origination. Mr Beardson said the group's performance this year had been satisfactory, given market conditions. Last year, Crosby recorded a loss of US\$1.9m on revenues of US\$94.5m, compared with a profit of US\$10.2m on revenues of US\$80.8m in 1994.

Procter & Gamble advance fails to calm growth worries

By Richard Tomkins in New York. Procter & Gamble, the US consumer goods company, yesterday produced a 14 per cent increase in underlying net profits for the fourth quarter but the figure failed to quell investor concerns about its short-term growth prospects. Sales rose 5 per cent to \$35.3bn in the year but only 1 per cent to \$8.6bn in the fourth quarter. The shares were off 32¢ at \$68 in early trading as the market continued to focus on the likelihood of a slow-down in earnings growth in the current quarter, largely because of problems in the company's US healthcare business. Last quarter's figures were

affected by exceptional items including the settlement of the Bankers Trust derivatives lawsuit, a gain on the sale of P&G's stake in the Aleve joint venture, a reserve for estimated losses on a pulp supply contract and a change in accounting rules. Including these items, net profits rose 17 per cent from \$472m to \$554m and earnings per share rose 18 per cent to 77 cents - slightly better than the consensus forecast of 75 cents. Without the exceptional, P&G said net profits would have been 14 per cent up at \$538m. For the fiscal year ending in June, net profits rose 15 per cent to \$3.06bn. But without the latest quarter's exceptional items and a charge last year relating to the Kobe earth-

quake in Japan, the rise would have been 12 per cent. Last month P&G sought to reassure investors about the strength of the business by announcing a \$1bn buy-back and lifting its dividend 12 1/2 per cent. But the shares have failed to regain their 52-week high of \$93 in spite of Wall Street's recent rally. P&G has warned earnings per share are likely to grow only 8-9 per cent in the first quarter of the current year, largely because of weak US demand for its Crest toothpaste and over-the-counter products. In Europe, P&G has also suffered the costs of stock and merchandising adjustments relating to its switch to a value pricing strategy.

German bank falls 39%

By Andrew Fisher in Frankfurt. Bankgesellschaft Berlin yesterday ended the run of sharply higher German bank results with the announcement of a steep drop in profits. This followed heavy investments in new computer systems and dealing facilities and high loan loss provisions. Operating profits fell 39 per cent to DM509m (\$206m) from DM509m. Total costs were 12 per cent higher at DM1.8bn. Without the cost increase, profits would have been flat. The bank said its second-half result would show a smaller decline than in the first six months. This is a retreat from its earlier forecast that the full-year's result would match that of 1995. The bank said the cost rise

was in line with its plans for the continued integration of the banks merged two years ago when the group was formed. Bankgesellschaft Berlin mainly includes Berliner Bank (a commercial branch bank), Landesbank Berlin (a public sector bank linked to regional savings institutions) and Berlin Hyp (a mortgage bank). The group said the parent bank, Bankgesellschaft Berlin - a holding company and an investment bank - and Landesbank Berlin had switched to a unified data processing system this year, a step which Berlin Hyp had already taken. A new dealing centre had also been opened in Berlin, with costs further increased by investment banking expansion in Berlin and London.

Apart from the cost increases, group business was basically positive. Net interest income was 12 per cent higher at DM1.9bn, with commission income up 16 per cent to DM338m. However, the own-account trading result fell from a DM39m profit to a DM110m loss. The bank said this partly reflected write-downs on equity derivatives; these were more than offset by related interest income and dividends shown under interest income. Last year, the group raised pre-tax profits 25 per cent to DM895m but held its dividend. Yesterday, it said risk provisions had been raised by 8 per cent in the first half to DM391m; actual loan loss provisions were DM549m, offset by profits of DM158m on securities in its liquidity portfolio.

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COMPANIES AND FINANCE: ASIA-PACIFIC

NEWS DIGEST

Gwalia in bid for Orion Resources

Sons of Gwalia, the acquisitive Perth-based gold miner, yesterday moved to secure its hold on Western Australia's Yilgarn gold region...

OCBC ahead 15% at midway

Singapore's OCBC Bank Group reported a 15 per cent rise in net profits to S\$304.58m (US\$215m) for the six months ended June 30...

HK Electric falls 14.3%

Hongkong Electric Holdings, the monopoly electricity supplier on Hong Kong Island, yesterday reported a 14.3 per cent decline in net profits to HK\$1.72bn (US\$144m) for the first six months of the year...

Whyte and Mackay eyes India Whyte and Mackay, the Scotch whisky producer, is set to enter the Indian market through a joint venture with the Radico Khaitan group...

Regent Pacific plans listing on HKSE

By Roger Taylor Regent Pacific, the Hong Kong-based fund management group with a reputation for making hostile takeover bids...

announced plans to place this stake. About half was sold for US\$78m to a range of institutions at \$2.75 a share. The remainder was bought in by Regent.

The listing will give Regent's new institutional investors an easy means to sell their investment, while allowing Regent to raise new capital for expansion.

London, and Bermuda. Its fastest growing market is Russia. It currently manages four Russian equity funds and a debt fund, worth in total more than \$400m.

breaks up the fund and sells off the assets. Most recently, Regent's London subsidiary, Regent Kingpin, launched a bid for the GT Child Growth Fund.

Fujitsu plans new logic chip facility

By Michio Nakamoto in Tokyo Fujitsu, the Japanese electronics group, said yesterday that it plans to invest about ¥150bn (\$1.3bn) in a new facility to manufacture logic chips in Japan next year.

Currently, memory chips make up 45 per cent of Fujitsu's semiconductor business, with logic chips comprising 42 per cent. Unlike memory chips, which store numeric information, logic chips - which include microprocessors, microcontrollers and digital signal processors - process signals or data.

The logic chips Fujitsu plans to manufacture will be used in television set-top boxes and portable terminals - a market which it believes will expand with the development of multimedia products.

Kuok group acquires 9% holding in CCA

By Nikki Tait in Sydney Kerry Group, the private Hong Kong-based holding company controlled by Mr Robert Kuok, the Malaysian-Chinese businessman, is to invest about A\$667m (US\$518m) in Australia's Coca-Cola Amatil for a 9.275 per cent stake.

taking a 25 per cent interest in the Asian business built up by CSR, the building materials, aluminium and sugar group, for an undisclosed sum.

But Mr Norb Cole, joint managing director at CCA, stressed the deal was the basis of a "strategic alliance". Kerry has been active for many years in Indonesia, which has become one of the fastest-growing bottling operations within the CCA group, he said.

and sugar. Their alliance would strengthen both companies' beverage operations in east and south-east Asia, he said.

Yesterday's announcement came less than 24 hours after CCA unveiled a first-half profit of A\$58.9m after tax, on sales of A\$1.79bn. Although profits increased by 26.1 per cent, earnings per share were flat and some analysts viewed the figures as disappointing.

Bankers Trust arm clear to take 15% Fairfax stake

By Nikki Tait The Australian federal government has cleared the path for Bankers Trust Australia, part of the US-based investment bank to acquire a "portfolio interest" of almost 15 per cent in John Fairfax, the country's leading newspaper publisher.

interest in John Fairfax of 14.99 per cent. However, BTA had undertaken to limit its voting interest in its investment to limit its voting interest to less than 5 per cent, said Mr Peter Costello, federal treasurer.

The Australian publisher, in which three media magnates - Mr Conrad Black, Mr Kerry Packer and Mr Rupert Murdoch all hold stakes - has been subject to long-running bid speculation.



Conrad Black: media rules prevent him bidding for Fairfax

Swire lifts first-half profit 5.6%

By Louise Lucas in Hong Kong Swire Pacific, the Hong Kong conglomerate, yesterday reported a 5.6 per cent increase in interim net profits to HK\$3.05bn (US\$394.4m) for the six months to June, from HK\$2.89bn in the same period last year.

Cathay Pacific, from 43.16 per cent to 25.5 per cent. Net operating profit fell 12.9 per cent, from HK\$3.71bn to HK\$3.28bn, in line with market expectations.

contribution from one of its new office blocks, Dorset House, produced "satisfactory growth" in net rental income, said Mr Peter Stutch, chairman.

Japanese insurers begin shake-up

By Gerard Baker in Tokyo Six of Japan's leading life insurance companies and 10 non-life insurers yesterday established subsidiaries to enter each other's businesses.

Lower interest rates and a strong yen have further undermined the value of their assets, and several of them are barely able to meet the costs of their liabilities.

Strong six months for Daewoo Corp

By Haig Simonian Daewoo Corporation, the trading and construction arm of South Korea's Daewoo industrial group, reported a strong improvement in pre-tax profits and sales in the first half of 1996, on the back of increased building contracts and active metals and commodities trading.

Turnover soared from Won6.56tn to Won9.13tn, while pre-tax profits jumped from Won38.59tn to Won51.32tn (\$63m). The company ascribed the advance to improved building business in the domestic and foreign markets. It said

the profits had also benefited from active trading in gold and other commodities.

and project financing and to invest in domestic and foreign manufacturing projects. Its scope also includes property development and natural resource development.

ABBEY NATIONAL Abbey National Treasury Services plc £2,000,000,000 Note Programme relating to Euro Medium Term Notes and Deposit Notes

ABBEY NATIONAL Abbey National Treasury Services plc £150,000,000 10 per cent. Notes due 1997 £150,000,000 Floating Rate Notes due 1997

ABBEY NATIONAL Abbey National plc £100,000,000 10% per cent. Subordinated Bonds due 2006/2011

EUROPEAN INVESTMENT BANK PTE 10,000,000,000 FLOATING RATE BONDS DUE AUGUST 4, 2000

NATIONAL BANK OF CANADA US\$ 250,000,000 Floating Rate Notes due 1999

NEWS DIGEST AMR plans float Sabre Pharmacia in deal with Apple to stagger upgrade Sara Lee up 18% in tea Dataquest sales forecasts for Windows

سكنا من الامل

COMPANIES AND FINANCE: THE AMERICAS

صكرا من الامل

NEWS DIGEST

AMR plans to float Sabre

AMR, the US parent of American Airlines, yesterday announced plans to float its Sabre computer reservation system on the stock market through an initial public offering that could value the company at about \$3bn.

Sabre, which made pre-tax profits of \$371m last year on revenues of \$1.6bn, is one of the world's biggest computer reservation systems. Its main rivals are Amadeus and Galileo, both owned by consortiums of international airlines.

AMR announced in April that it was turning Sabre into a separate subsidiary as a prelude to an initial public offering or some form of strategic partnership. Yesterday it said it had decided to sell up to 20 per cent of the subsidiary's common stock in an offering priced at up to \$60m, retaining a majority control of the company.

AMR believes Sabre will be able to compete more effectively as a stand-alone company because its managers will be more highly motivated and because other airlines will be more prepared to do business with a company that is independent of American Airlines.

The flotation will also cut AMR's costs by between \$120m and \$140m a year, partly because the relationship between the two will be put on a more commercial footing and partly because Sabre will assume \$850m of airline debt. AMR's shares rose 3/4 to \$24 1/4 in early trading yesterday.

Richard Tomkins, New York

Pharmacia in deal with Gilead

Pharmacia & Upjohn, the US-Swedish drugs company, is to broaden its newly-created eye medicine operations by marketing Vistide, a drug made by Gilead, one of the few US biotechnology companies that has successfully launched a product. Vistide treats a complication of AIDS, called CMV retinitis that can blind patients.

The deal signals Pharmacia & Upjohn's commitment to the eye medicine market following the aborted attempt to merge with Allergan, a US firm in the area. That deal was abandoned because of complications relating to a stake in Pharmacia and Upjohn held by Sweden's Volvo. Last month Volvo offered that stake for sale.

Under yesterday's agreement, Gilead will receive \$10m on receipt of a European marketing authorisation for the drug. Pharmacia & Upjohn will also acquire \$40m of newly issued Gilead preferred stock.

The stock will be priced at 145 per cent of the average closing price of Gilead's shares over the 90 trading days before marketing authorisation in Europe. Other financial terms, including royalty payments, were not disclosed.

Gilead shares rose 1 1/4 to \$19 1/4 in early trading in New York.

Daniel Green

Apple to stagger upgrade

Apple Computer, the struggling US maker of personal computers, has announced it will release a long-awaited upgrade to its Macintosh operating system in stages, in an attempt to give its customers early access to new technologies.

Speaking at the Macworld Expo trade show in Boston this week, Dr Gilbert Amelio, Apple chief executive, said the first piece of the new operating system would be available in January 1997. Additional operating system upgrades will follow at six-month intervals.

The next version of the Macintosh operating system, known by its code name Copland, has been delayed by more than a year until the second half of 1997. The first piece of Copland, called Harmony, will include key Internet and video technology.

Tom Foremski

Sara Lee up 18% in term

Sara Lee, the US food and consumer products group, ended its fiscal year to June with an 18 per cent increase in net profits from \$214m to \$253m in the final quarter, the company reported yesterday. For the full year, net income rose by 15 per cent to \$882m and the company predicted further gains throughout the year just begun.

In packaged foods, operating profits rose by 9 per cent to \$121m in the fourth quarter while in consumer products, operating profits rose by 14 per cent to \$283m. In legwear, unit volumes were down but profits rose because of the company's increasing emphasis on higher-margin products. World-wide knit products saw double-digit profit increases, intimate sales increased 4 per cent, and the household and personal care division reported higher sales and operating profits for the quarter.

Richard Tomkins, New York

Dataquest cuts sales forecast for Windows 95

By Paul Taylor

The continued success of older versions of Microsoft Windows has held back the uptake of Windows 95. Microsoft's latest personal computer operating system which was launched amid a blaze of publicity a year ago.

As a result, Dataquest, the US-based market research group - which had already been forced to cut its early over-optimistic predictions for Windows 95 sales - yesterday cut its forecast again. The market research group now predicts that about 45.7m units of Windows 95 will be shipped by the end of 1996, down 27 per cent from estimates made earlier this year.

Microsoft itself has steadfastly avoided predicting Windows 95 sales, although the software group said recently that it expected to have sold 40m copies of the software by the 19-month anniversary of its launch later this month.

Dataquest said yesterday that its lower growth estimates for Windows 95 stem from corporate hesitation about moving to Microsoft's new operating system, a complicated and costly transition that in many cases requires upgrades of both hardware and software on thousands of personal computers.

"Large and medium-size companies are driving the continuing strong demand

for Windows 3.1x," said Mr Chris Le Tocq, Dataquest's principal systems analyst.

Mr Le Tocq said initially aggressive upgrade plans had been deferred, "driven by high expectations for Windows NT 4.0 and an assessment that Windows 95 is an interim desktop solution, a stepping-stone to Windows NT."

Windows NT 4.0 is the latest version of Microsoft's corporate desktop computer operating system. Microsoft has attempted to position Windows 95 as the operating system for home computers and ordinary desktops while targeting the more secure and robust Windows NT software at "mission critical" corporate applications.

However, it appears that some corporate users are waiting for the new version of Windows NT which incorporates key features of Windows 95, including its ease-of-use, and is due to be released this autumn.

Earlier this year, Dataquest had forecast that Windows 3.1x shipments would shrink to 9.5m units in 1996, but because of demand for the operating system in the first half of this year, the research group said it now expects shipments to fall to 20.9m units this year, from 39.6m last year.

Service charges help lift Banco Itaú in first half

By Jonathan Wheatley in Sao Paulo

Banco Itaú, Brazil's second-biggest private-sector bank, said yesterday a doubling in receipts from service charges helped raise first half profits to R\$277m (\$274m), from R\$187m in the same period last year, in spite of restrained economic activity and continuing high levels of non-performing loans.

Comparing the figures is complicated by recent changes in Brazilian corporate law. The government prohibited banks from publishing inflation-adjusted balance sheets at the end of last year as part of its anti-inflationary strategy of

removing automatic adjustments from the economy. Itaú said its profits in the first half would have been R\$223m if adjusted in line with inflation of 7 per cent during the period.

Return on shareholders' equity of R\$3.54m was 16.2 per cent according to corporate law; if adjusted in line with inflation, the bank said its shareholders' equity would have been R\$3.67m, giving a rate of return of 12.5 per cent, down from 13.7 per cent in the first half of 1995.

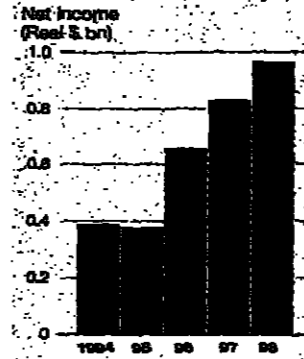
Mr Roberto Setubal, chief executive officer, said the bank's performance was helped by an increase in business volume. "This was important as it compensated for the reduction

in spreads," he said. Brazilian interest rates remain very high by international standards in spite of continuing reductions. The central bank's basic rate fell from 278 per cent a month at the end of 1995 to 138 per cent in June.

Mr Setubal said the rate of loans overdue by between 11 and 30 days fell from 5.1 per cent in June 1995 to 2.2 per cent this year; the level was still high, however, and more progress was expected. Receipts from service charges rose to R\$658m from R\$326 last year.

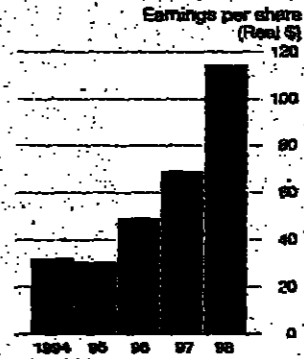
Mr Setubal said the bank concentrated in the first half on implementing initiatives begun last year, including the purchase of Banco

Banco Itaú



Frances & Brasileiro and a joint venture with Bankers Trust of the US. The results of these and other adjustments would be seen later in 1996 and in 1997.

Earnings per share (Real \$)



Mr Jorge Kotani de Laffa, a São Paulo firm of analysts, said Itaú, in common with other Brazilian banks, was undergoing a change of emphasis from earnings on financial intermediation to retail services and other areas such as insurance and pensions.

"Last year banks were still making a lot of money on the free float provided by inflation," he said. "Those earnings are falling, but many banks still have the high levels of staffing that the old regime demanded, making them less productive. By next year the adjustments should be made - that's when banks' results will reflect their real earning power."

Downturn in UK travel limits Thomson to 6% rise

By Bernard Simon in Toronto

Thomson Corporation lifted second-quarter earnings by 6 per cent, with a slump in the UK package-tour market partly offsetting improvements in the Canadian-controlled group's publishing and newspaper business.

The travel division's operating profits were down by 23 per cent to US\$27m with a

6 per cent drop in sales. Thomson ascribed the decline to "difficult" conditions in May and June. The company cut 1996 summer holiday capacity by more than 10 per cent in an effort to avoid last year's fierce price discounting.

Excess capacity resulted in some late-season price-cutting, although Thomson said overall discounts were lower than last year. Group earnings climbed to US\$88m, or 15 cents a share, in the three months to June 30, from \$84m, or 14 cents, a year earlier.

Sales shrank by almost 4 per cent to \$1.76bn, reflecting lower travel revenues and the disposal of UK and North American newspapers.

First-half earnings advanced to \$33m, or six cents, from \$11m, or two cents. Sales fell to \$3.06bn from \$3.17bn. The improvement was largely due to the sale of Thomson's Scottish newspaper centre early this year, and to lower debt-service charges.

Toronto's Thomson family, which controls 69 per cent of Thomson's shares, said separately it had extended to mid-2002 its commitment to reinvest at least half its dividends from the company.

The extension reflects Thomson's appetite for cash following its recent \$3.4bn purchase of West Publishing, the US legal publisher.

The dividend reinvestment will be accomplished by quarterly purchases of Thomson shares through private placements. The family plans to inject C\$47.5m through the first private placement on September 16. The publishing division's

operating profit rose to US\$101m from \$85m, in spite of higher costs to develop new products in the health-care, financial and professional publishing sectors. West's results have been included for the final 10 days of the period.

Thomson Newspapers' earnings rose to \$61m from \$53m, with cost-cutting measures producing improved margins.

Advertisement for Generali Group. Features a world map, the text 'The Generali Group strengthens its position world-wide', and '343 billion ECU profit'. Includes a 'GROUP BUSINESS' section with details on 1995 performance and a 'PARENT COMPANY RESULTS' section detailing the AGM of Assicurazioni Generali.

Fujitsu plans new logic chip facility

Japanese insurers shake-up

Canada

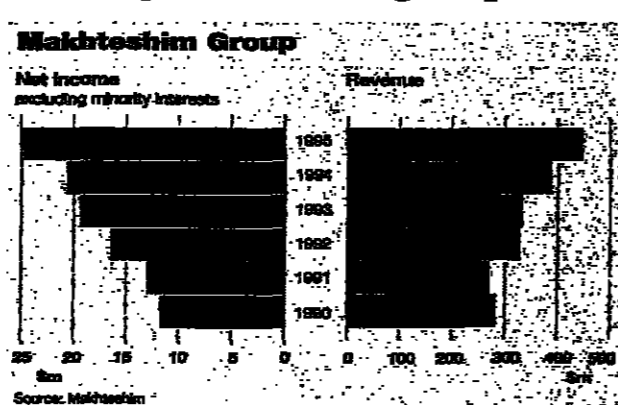
Bonus payout for ABB AG investors

By William Hall in Zurich
ABB, the international electrical engineering group based in Switzerland, is looking to tidy up its complicated capital structure by giving shareholders of ABB AG, one of its two quoted parents, a special payment totalling SF456m (\$377m). The group announced the move yesterday as it reported first-half net income up 22 per cent at \$568m.

Makhteshim reaps rewards of strategy

Brand registration has helped Israeli agrochemical group's overseas expansion

Makhteshim-Agan, an Israeli generic agrochemicals group, was exporting to its Arab neighbours long before the peace accord in 1993. And, after more than doubling net income in the last six years, to US\$325m, it hopes to maintain steady growth by positioning new markets.



On 1994, while net income, excluding minority interests, rose 20 per cent to \$24.8m. While revenues trail non-generic or "ethical" companies, Makhteshim leads the pack among international generic manufacturers.

Growth warning as Veba rises 17%

By Michael Lindemann in Bonn
Veba, the German industrial conglomerate, said yesterday that interim net profits rose 17 per cent to DM743m (\$501m), but warned it would not maintain the strong growth during what is expected to be a lacklustre second half.

NEWS DIGEST

Margins squeeze hits Fokus profit

Fokus, the Oslo-based bank, yesterday announced a fall in interim profits from Nkr311m to Nkr261m (\$40.7m). Profit before credit losses dropped from Nkr297m to Nkr276m. Net interest income, the bank's core business, fell from Nkr197m to Nkr168m, reflecting the tough competition and continuing pressure on interest margins that Norwegian banks face.

FLS signs deals worth \$156m

Fuller, one of the leading manufacturers of cement mills, has signed contracts worth around \$156m. The company, part of the Danish FLS group, said it had agreed three large deals with Korean firms, and two in North America.

Santander cuts US bank stake

Banco Santander, the Spanish banking group, said it had sold a 1.2 per cent slice of its stake in First Union Corporation of the US for \$280m on the New York Stock Exchange, indicating it would probably make further small disposals to bring its holding in the North Carolina-based bank to just below 30 per cent.

Nordtank in Iranian deal

Danish windmill manufacturer Nordtank has sold 27 wind turbines to Iran in a \$10m deal financed by the World Bank. The order, for 19,300kW and eight 560kW generators, is the second order from Iran.

Infonie admits to poor sales

French online service group Infonie yesterday admitted sales were weak, but said it remained confident it would reach break-even without making a cash call. "It's clear that our sales are not going as well as we thought," Mr Christophe Sapet, managing director, said.

ofel OFFICE OF TELECOMMUNICATIONS PROPOSED MODIFICATIONS OF THE LICENCE OF BRITISH TELECOMMUNICATIONS (BT) SCHEDULE Part I Fair Trading Condition 1. The Director of Telecommunications (the "Director"), in accordance with section 12 (2) of the Telecommunications Act 1994 (the "Act"), hereby gives notice that he proposes to make modifications to the licence granted to British Telecommunications ("BT") on 22 June 1994.

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Transeocean fails to meet forecasts

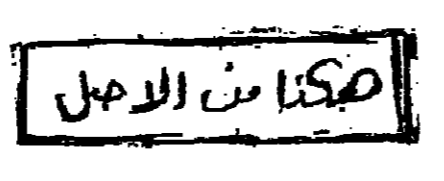
By Greg McIvor in Stockholm
Transeocean Drilling, the Norwegian offshore drilling company targeted in a takeover bid by Sonat Oilshore Drilling of the US, yesterday reported improved underlying first-half profits. However, it failed to match market expectations.

BRADFORD & BINGLEY
£150,000,000
Floating rate notes 1999
Notice is hereby given that the notes will bear interest at 5.3875% per annum from 7 August 1996 to 7 November 1996. Interest payable on 7 November 1996 will amount to £149.25 per £10,000 note.
Agent: Morgan Guaranty Trust Company
JPMorgan

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United Bank Evil planangers leading holders Re Ny NOTICE OF PARTIAL REDEMPT DOMUS MORTGAGE FIN NO. 1 PLC 100,000,000 Mortgage Backed Floating R Note due 2014



INTERNATIONAL CAPITAL MARKETS

US Treasuries weaken ahead of auction

By Lisa Brampton in New York and Samer Iskandar in London
US Treasury prices were modestly weaker in early trading yesterday as traders prepared for an afternoon auction of \$10bn in 30-year notes.

Near midday, the existing 30-year Treasury bonds were 1/8 weaker at 89 1/8 to yield 6.791 per cent. Bonds often fall in advance of an auction as traders try to push up the yield to attract retail and institutional investors.

GOVERNMENT BONDS

first time claims for unemployment benefits rose by 34,000 to 318,000 last week.

market prompted traders who had sold OATs short in previous days to cover their positions.
Matis's September notional future settled unchanged at 123.62, while the Fibor contract gained 0.04 to close at 95.93.

UK bonds were weak yesterday, but analysts said gilts stood to benefit in coming weeks from the strength of sterling against other currencies.

Dublin's futures exchange set to close

By Peter John
Ifox, the Irish futures exchange, is set to close at the end of this month through lack of business.

From peak turnover of 27,000 contracts a year in 1990, the Dublin exchange has seen volume among its 24 members dwindle to only 7,000 contracts in 1995.

Clearing house deal for EMTA

By Peter John
Standardisation of the \$2,740bn market in emerging economy debt moved closer yesterday with firm details of a new \$3m clearing operation.

The Emerging Market Traders Association, representing leading investment banks as well as local members, has signed a memorandum of understanding with the International Securities Clearing Corporation.

EMERGING MARKETS

The new Emerging Markets Clearing Corporation is expected to include the world's leading 30-40 global emerging market dealers and brokers. It will cost \$1.5m to set up and a further \$1.5m to run for the next five years.

ISCC was the result of a year's research. It represented a major step forward in the orderly development of the emerging markets trading industry.

The move will break the stranglehold of big Japanese brokers, particularly Daiwa Securities, which currently dominate the clearing business within the sector.

Scramble for Abbott issue highlights shortage

By Antonia Sharpe
Yesterday's debut eurobond offering from Abbott Laboratories got a hotter reception than the US drugs company and lead manager Goldman Sachs had bargained for.

Overwhelming "shorting" of the deal caused the spread almost to halve.

INTERNATIONAL BONDS

Syndicate managers said the dramatic tightening in the yield spread on the bonds from 17 basis points to 7.8 basis points over Treasury indicated that the \$250m five-year deal had been mispriced.

to cover their short positions. Goldman added that the tightest spread reached was 9-10 basis points, and forecast it would widen further once the market settled down.

Ironically, Abbott's decision to reward its commercial banks with a place in the syndicate, as opposed to inviting investment banks, contributed to the spread narrowing.

This meant that leading eurobond houses, particularly those with distribution to Continental European retail investors, were forced to bid aggressively.

New international bond issues

Table with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Spread, Book-runner. Includes entries for US \$500 MILLIONS, UK \$500 MILLIONS, and other international issues.

year dollar eurobonds to come in by 5-6 basis points since the start of the week. Elsewhere, Citibank Credit Cards continued to build up a profile with Continental European investors by launching its second

D-Mark securitisation, this time extending from three to five years.

Mr Charles Wainhouse, treasurer, said Citibank Credit Cards had securitised \$3bn worth of credit card receivables in the eurobond market to date this year, and planned a further \$4bn before year-end.

WORLD BOND PRICES

Table with columns: Country, Coupon, Bid, Ask, Change, Yield, High, Low, Est. vol., Open Int. Includes Australia, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Portugal, Spain, Sweden, UK Gilts, US Treasury, and ECU.

BOND FUTURES AND OPTIONS

Table with columns: Instrument, Price, Settle, Change, High, Low, Est. vol., Open Int. Includes French, German, and UK Gilts.

FT ACTUARIES FIXED INTEREST INDICES

Table with columns: Index, 7th Day, 8th Day, 9th Day, 10th Day, 11th Day, 12th Day. Includes UK Gilts and other fixed interest indices.

US INTEREST RATES

Table with columns: Instrument, Rate, Change, Yield, High, Low, Est. vol., Open Int. Includes Treasury Bills and Bond Yields.

UK Gilts Prices

Table with columns: Instrument, Price, Change, Yield, High, Low, Est. vol., Open Int. Includes various UK Gilts.

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Table with columns: Index, 7th Day, 8th Day, 9th Day, 10th Day, 11th Day, 12th Day. Includes FT Fixed Interest Indices.

FT/ISMA INTERNATIONAL BOND SERVICE

Table with columns: Issued, Bid, Offer, Chg, Yield. Lists various international bonds.

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Other Fixed Interest

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STERLING REPORT Sterling rate... BASE LENDING RATES... Includes various financial data and market reports.

CURRENCIES AND MONEY

MARKETS REPORT

Sterling rallies on hopes of higher UK rates

By Philip Gawth... Sterling was the winner on the foreign exchange yesterday, helped by expectations of higher interest rates and technically driven buying.

The lira was barely changed at L1.023 from L1.024 against the D-Mark. The French franc bounced back from some of its recent losses to finish at FFfrs.409, from FFfrs.414.

A fairly random selection of events. The main factor was the growing conviction that the next move in UK interest rates will be up. This was reflected in the futures market, where the December short sterling contract fell seven basis points to finish at 94.09.



He said 'Labour' optimism was based on the view that they might get sterling into the ERM, while 'Tory' optimism reflected confidence in their economic management.

analyst at Technical Data, said: 'I believe there is still a risk of a significant break within the currency markets, possibly within the next 48 trading hours... I consider dollar/D-Mark to be the weak link in this scenario, and sizeable losses can be expected in the near term.'

POUND SPOT FORWARD AGAINST THE POUND

Table with columns: Country, Currency, Rate, Change, etc. Includes data for Europe, Asia, Africa, and Americas.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns: Country, Currency, Rate, Change, etc. Includes data for Europe, Asia, Africa, and Americas.

WORLD INTEREST RATES

Table showing interest rates for various countries and currencies, including Belgium, France, Germany, Italy, etc.

CROSS RATES AND DERIVATIVES

Table showing exchange rates for various currencies like Belgium, Denmark, France, Germany, etc.

UK INTEREST RATES

Table showing UK interest rates for various terms like 3 months, 6 months, 1 year, etc.

EUROPEAN CURRENCY UNIT RATES

Table showing ECU rates for various countries like Netherlands, Spain, Belgium, etc.

EURO CURRENCY INTEREST RATES

Table showing Euro currency interest rates for various countries like Belgium, Denmark, France, etc.

BASE LENDING RATES

Table showing base lending rates for various banks like Adams & Company, Allied Trust Bank, etc.

UK INTEREST RATES (continued)

Table showing UK interest rates for various terms like 3 months, 6 months, 1 year, etc.

EURO CURRENCY INTEREST RATES (continued)

Table showing Euro currency interest rates for various countries like Belgium, Denmark, France, etc.

Computacenter Limited Half Year Results 1996 (Unaudited). Notice to Holders of Computacenter Services Group plc 10 per cent Bonds due 2002 in accordance with condition 15 (i) of the Bond.

Gariplo US\$200,000,000 Floating rate depositary receipts 1998 issued by The Law Debenture Trust Corporation plc evidencing entitlement to payment of principal and interest on deposits with.

CAMPBELL HOLDINGS LIMITED SFR 50,000,000 Floating Rate Notes, ordinary payment falling due in 1999 ('the Notes'). Notice of Early Redemption.

MARGINED CURRENCY DEALING Laurion CALL TOLL-FREE. Flexible managed accounts, Limited liability guaranteed, Lowest margin deposits.

BANQUE NATIONALE DE PARIS Programme for the assistance of DMG (Germany) US\$1,000,000 Floating Rate Notes due 2006.

BONGRAIN S.A. Net sales for the first half year 1996. BONGRAIN generated consolidated sales of FRF 5.1bn during the first six months.

St. George Bank Limited Floating Rate Notes due 1998. For the three months to 31 August, 1996, St. George Bank Limited carried an interest rate of 2.5000% per annum.

COMMODITIES AND AGRICULTURE

Fresh oil output surge forecast next year

By Robert Corzine
Another surge in oil production from countries outside the Organisation of Petroleum Exporting Countries is expected next year, according to the International Energy Agency.

It says "more than two dozen new (North Sea) fields are projected to lead to a 565,000 b/d gain, compared with a 535,000 b/d increase estimated for this year."

mainly western industrialised countries which are members of the Organisation of Economic Co-operation and Development should slow to 1.4 per cent in 1997 from an estimated 2 per cent this year.

Ukrainian grain harvest continues its steep slide

By Matthew Kaminski in Kiev

Ukraine's grain harvest this year will be little more than half the 1990 level, marking another disastrous year for the country's once dominant agricultural sector, a senior official said yesterday.

World Bank. Total output in the farm sector declined by 2 per cent last year, after a 17 per cent fall in 1994, according to the agriculture ministry.

Canadian diamond plan clears major hurdle

By Bernard Simon in Toronto

The Canadian government has approved an environmental review of proposals to build the country's first diamond mine in the Lac de Gras area of the Northwest Territories.

Australia's BHP, still needs a number of other regulatory approvals. But none of these is expected to pose a serious problem.

partner, Dia-Met Minerals, have not disclosed production targets, beyond saying that the mine contains a high proportion of quality gemstones.

Arctic circle. However, their protests were overwhelmed by supporters of the project, who pointed to its economic benefits.

aboriginal people and other northerners, and for Canada generally.

Analysts bullish on lead market prospects

By Kenneth Gooding, Mining Correspondent

There is virtually universal agreement among analysts that the immediate prospects for lead prices are very bullish. Consumers are being warned that the lead market is heading for a period of supply tightness that might last until 1998.

appear well placed to stage a strong rally." Mr Nick Moore at the Flemings Global Mining Group is equally bullish.

surplus in 1996 but it is not until 1999 that stocks are predicted to increase meaningfully," she says.

Deutsche Bank subsidiary, Mr Wiktor Bleiedl, says it is not surprising that lead, together with zinc, were the metals that first shook off the impact of the Sumitomo crisis that dragged down all LME prices in the middle of June and have returned to the prior levels that existed before then.

Expectations for a good harvest that were voiced earlier this year were unrealistic as 440,000 hectares less was planted than in 1995 - a total of 14m hectares.

MARKET REPORT

LME nickel prices surge 4%

NICKEL prices surged 4 per cent on the London Metal Exchange yesterday, driven by speculative short covering and investment fund buying.

400 and 600 tonnes, traders said. But this did not prevent chart-based buying and short covering during the morning session.

after hours "herb" session at \$7,950 a tonne, up \$270 from Wednesday but \$40 off the high.

COMMODITIES PRICES

BASE METALS

Table with columns: Metal, Unit, Price, Change. Includes Aluminum, Copper, Lead, Zinc, Tin.

Precious Metals continued

Table with columns: Metal, Unit, Price, Change. Includes Gold, Silver, Platinum, Palladium.

GRAINS AND OIL SEEDS

Table with columns: Commodity, Unit, Price, Change. Includes Wheat, Soybeans, Maize, Barley.

SOFTS

Table with columns: Commodity, Unit, Price, Change. Includes Cocoa, Coffee, Sugar.

MEAT AND LIVESTOCK

Table with columns: Commodity, Unit, Price, Change. Includes Live Cattle, Live Hogs, Pork Bellies.

ENERGY

Table with columns: Commodity, Unit, Price, Change. Includes Crude Oil, Heating Oil, Natural Gas.

PRECIOUS METALS

Table with columns: Metal, Unit, Price, Change. Includes Gold, Silver, Platinum, Palladium.

UNLEADED GASOLINE

Table with columns: Location, Unit, Price, Change.

INDICES

Table with columns: Index Name, Value, Change.

PRECIOUS METALS

Table with columns: Metal, Unit, Price, Change. Includes Gold, Silver, Platinum, Palladium.

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JOTTER PAD

Table with columns: Commodity, Unit, Price, Change. Includes Live Cattle, Live Hogs, Pork Bellies.

LONDON TRADED OPTIONS

Table with columns: Commodity, Unit, Price, Change. Includes Aluminum, Copper, Soybean Oil, Soybean Meal, Sugar, Cotton Yarn.

LONDON FOT SPOT MARKETS

Table with columns: Commodity, Unit, Price, Change. Includes Crude Oil, Heating Oil, Natural Gas.

ACROSS

- 1 Army signals? Of course! (4)
2 Flower of the forest one found in Georgia (5)
3 Swift, say I, in dire straits (5)
4 Treacle almost ruined wine (5)
5 I need half a month before becoming a saint (9)
6 Modern leader's measure, always poetical (5)
7 Young female star leaving Las Vegas (4)
8 Fruit is found in waterfalls (7)
9 Tricky that's trifling, so we hear (7)
10 Idle brain (4)
11 Time left to devour raw fish (5)
12 One doesn't work all the time - send gin back (4)
13 A sort of side or crew member for pop musicians (3)
14 Entertainers providing content variety in resort (3)
15 Sound controls for Europeans (6)
16 Single us out for unfair appearance (3)
17 In France you read Italian (6)
18 Command an attack (6)
19 Start to send broken watches over (6)
20 Stocks for bears (7)

Advertisement for offshore services, including 'OFFSHORE AND OVERSEAS', 'BERMUDA INCORPORATED', 'HAWAII INCORPORATED', 'JERSEY INCORPORATED', 'NEVADA INCORPORATED', 'SINGAPORE INCORPORATED', 'VIETNAM INCORPORATED', 'ZAMBIA INCORPORATED'.

Handwritten text in Arabic script: 'صكنا من الامل'

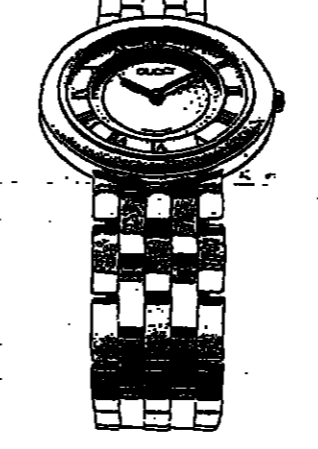
لماذا لا زال

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 171) 873 4376 for more details.

OFFSHORE AND OVERSEAS		GUERNSEY (REGULATED)**		ISLE OF MAN (REGULATED)**		JERSEY (REGULATED)**	
Fund Name	Unit Price	Fund Name	Unit Price	Fund Name	Unit Price	Fund Name	Unit Price
Lyons Investment Fund Ltd	...	ANK Capital Management Ltd	...	AIA Low Beta Fund	...	Abn-Amro Global Fund	...
Lyons Investment Fund Ltd	...	Apollon Investment Management Ltd	...	AIA Global Fund	...	Abn-Amro Global Fund	...
Lyons Investment Fund Ltd	...	Apollon Investment Management Ltd	...	AIA Global Fund	...	Abn-Amro Global Fund	...

GUCCI

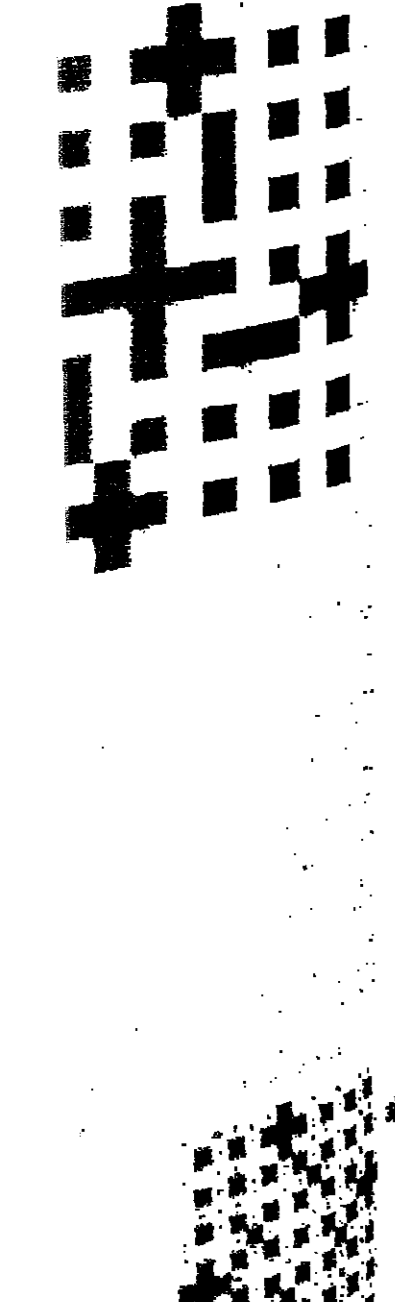


GUCCI WATCHES ARE AVAILABLE FROM
GUCCI BOUEN STREET, 141, HARRODS AND
SELFRIDES. ALSO AT SELECTED BRANCHES OF GOLDMANS, WALKER & HALL, WATSON & WATSON, HARRIS & WHEEL, BEAVERBROOKS AND OTHER FINE JEWELLERS.

in harvest
teep slide

CS surge 4%

WORD



Offshore Funds and Insurances

FT MANAGED FUNDS SERVICE

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Table listing various offshore funds and insurance products, including names like 'Paragon US Mgrs (Amory) Ltd' and 'E.V. Investment Management Ltd', along with their respective prices and performance metrics.

Table listing 'LUXEMBOURG (REGULATED)**' funds, including 'Merrill Lynch Asset Management - Centil' and 'Societe Generale', with columns for fund names, prices, and changes.

Table listing 'Societe Generale' and other international funds, including 'Societe Generale Emerging Europe' and 'Societe Generale Global', with columns for fund names, prices, and changes.

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Handwritten Arabic text: 'مكتبة الامال'

Vertical text on the right edge of the page, possibly a page number or reference code.

سكرا من الامل

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

Main table of FT Managed Funds Service listing various fund categories such as Global, UK, and Offshore funds with columns for fund name, price, and performance.

OTHER OFFSHORE FUNDS

Table listing other offshore funds including categories like Global, UK, and Offshore funds with columns for fund name, price, and performance.

HACKETT LONDON ESSENTIAL BRITISH KIT Sale now on at 17 Sloane Street, London SW1W 5W

SMALL FUNDS NOTES: This section provides detailed notes and information regarding small funds, including their objectives and performance metrics.

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing companies in the Alcoholic Beverages sector with columns for company name, price, and change.

BANKS, MERCHANT

Table listing companies in the Banks, Merchant sector with columns for company name, price, and change.

BANKS, RETAIL

Table listing companies in the Banks, Retail sector with columns for company name, price, and change.

BREWERIES, PUBS & REST

Table listing companies in the Breweries, Pubs & Rest sector with columns for company name, price, and change.

BUILDING & CONSTRUCTION

Table listing companies in the Building & Construction sector with columns for company name, price, and change.

BUILDING MATS. & MERCHANTS

Table listing companies in the Building Mats. & Merchants sector with columns for company name, price, and change.

CHEMICALS

Table listing companies in the Chemicals sector with columns for company name, price, and change.

CHEMICALS - Cont.

Table listing companies in the Chemicals - Cont. sector with columns for company name, price, and change.

DISTRIBUTORS

Table listing companies in the Distributors sector with columns for company name, price, and change.

DIVERSIFIED INDUSTRIALS

Table listing companies in the Diversified Industrials sector with columns for company name, price, and change.

ELECTRICITY

Table listing companies in the Electricity sector with columns for company name, price, and change.

ELECTRONIC & ELECTRICAL EQPT

Table listing companies in the Electronic & Electrical Eqpt sector with columns for company name, price, and change.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Table listing companies in the Electronic & Electrical Eqpt - Cont. sector with columns for company name, price, and change.

ENGINEERING

Table listing companies in the Engineering sector with columns for company name, price, and change.

ENGINEERING - Cont.

Table listing companies in the Engineering - Cont. sector with columns for company name, price, and change.

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector with columns for company name, price, and change.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector with columns for company name, price, and change.

EXTRACTIVE INDUSTRIES - Cont.

Table listing companies in the Extractive Industries - Cont. sector with columns for company name, price, and change.

FOOD PRODUCERS

Table listing companies in the Food Producers sector with columns for company name, price, and change.

FOOD PRODUCERS - Cont.

Table listing companies in the Food Producers - Cont. sector with columns for company name, price, and change.

GAS DISTRIBUTION

Table listing companies in the Gas Distribution sector with columns for company name, price, and change.

HEALTH CARE

Table listing companies in the Health Care sector with columns for company name, price, and change.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector with columns for company name, price, and change.

HOUSEHOLD GOODS - Cont.

Table listing companies in the Household Goods - Cont. sector with columns for company name, price, and change.

INSURANCE

Table listing companies in the Insurance sector with columns for company name, price, and change.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector with columns for company name, price, and change.

INV TRUSTS SPLIT CAPITAL

Table listing companies in the Inv Trusts Split Capital sector with columns for company name, price, and change.

INVESTMENT TRUSTS - Cont.

Table listing companies in the Investment Trusts - Cont. sector with columns for company name, price, and change.

Table listing companies in the Investment Trusts - Cont. sector with columns for company name, price, and change.

Table listing companies in the Investment Trusts - Cont. sector with columns for company name, price, and change.

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Advertisement for Rockwell components for heavy and medium duty trucks and trailers, featuring the Rockwell logo and text: 'Rockwell components for heavy and medium duty trucks and trailers keep businesses on the road to exceptional performance.'

Handwritten Arabic text: 'صكنا من الامل'

INVESTMENT TRUSTS

INVESTMENT COMPANIES

INV TRUSTS SPLIT CAPITAL

HOTELS

OR, BY

OTHER

LONDON SHARE SERVICE

NAV TRUSTS SPLIT CAPITAL - Cont.

Table with columns for company names and share prices, including various NAV trusts.

LEISURE & HOTELS - Cont.

Table listing companies in the Leisure & Hotels sector.

LIFE ASSURANCE

Table listing life assurance companies.

MEDIA

Table listing media companies.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging & printing companies.

PHARMACEUTICALS

Table listing pharmaceutical companies.

PROPERTY

Table listing property companies.

PROPERTY - Cont.

Table listing property companies (continued).

RETAILERS, FOOD

Table listing food retailers.

RETAILERS, GENERAL

Table listing general retailers.

TELECOMMUNICATIONS

Table listing telecommunications companies.

TEXTILES & APPAREL

Table listing textiles & apparel companies.

TOBACCO

Table listing tobacco companies.

TRANSPORT

Table listing transport companies.

AMM - Cont.

Table listing AMM companies (continued).

AMERICANS

Table listing American companies.

CANADIANS

Table listing Canadian companies.

SOUTH AFRICANS

Table listing South African companies.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration & production companies.

INVESTMENT COMPANIES

Table listing investment companies.

OIL, INTEGRATED

Table listing integrated oil companies.

OTHER FINANCIAL

Table listing other financial companies.

LEISURE & HOTELS

Table listing leisure & hotels companies.

PROPERTY - Cont.

Table listing property companies (continued).

SUPPORT SERVICES

Table listing support services companies.

Table listing property companies.

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Advertisement for Rockwell: 'By meeting customer needs, Rockwell has become a world leader in components and systems for cars, trucks and trailers. Rockwell logo and contact information.'

GUIDE TO LONDON SHARE SERVICE. Includes instructions on how to use the share service, abbreviations, and contact information for FT CityLine.

LONDON STOCK EXCHANGE

MARKET REPORT

Footsie manages seventh straight gain

By Philip Coggan, Markets Editor

The UK stock market succumbed to the August holiday spirit yesterday, with share prices drifting sideways in modest volume. The FT-SE 100 index traded in a range of just 14 points during the day. Nevertheless, the leading index recorded its seventh consecutive gain, albeit only a 0.3 point rise to 3,811.4.

Friendly and Refuge Assurance was seen as a further step towards the consolidation of the insurance sector, with there is scope for considerable cost savings. But traders had previously been looking at other candidates in the sector, notably Guardian Royal Exchange, as merger or bid targets. The deal pushed up United Friendly's shares by 14 per cent, gave a lift to other small insurance groups such as London & Manchester and enabled the FT-SE Mid-250 index to outperform Footsie on the day, the junior benchmark managed a 9.6 point rise to 4,318.6.

Otherwise, there was little to inspire investors. Wall Street provided some support at the start - after a 22 point gain in the Dow Jones Industrial Average on Wednesday - but the US market drifted lower when it opened yesterday, and the Dow had dropped by around 26 points by the close of London trading. The "big rumour of the day" was a revived hope that someone might bid for Schroders, the merchant bank and asset manager. But speculators will be hoping that the story has more staying power than Wednesday's rumour that Reed might bid for Reuters or Pearson; in the event, Reed

revealed the £100m purchase of Tolley, the specialist publisher. "At a time when there is no news around, people are being more than usually creative. Any and every company that has been mentioned as a bid candidate is being put forward," says Mr Paul Walton, UK strategist at Goldman Sachs. "Our rally in the last 10 days was being inspired by Wall Street," he adds "but we're in a trading range of 3,650-3,850 and we aren't going through the top of it in my view. The equity market is fairly expensive, there is political risk and most market participants are on holiday."

Mr Ian Williams, UK equity strategist at Panmure Gordon is also downbeat, saying that "the recent run seems a bit overdue. It is a reflection of tight market conditions and an over-reaction to some stock specific stories. In the second half of the year, political worries will become more severe and the disagreement between the chancellor and the Bank governor will come to the fore." Volume slipped back to holiday levels yesterday, with 638.3m shares traded by the 6pm cutoff. The value of retail business was £2.5m, the second successive day to top £2bn.

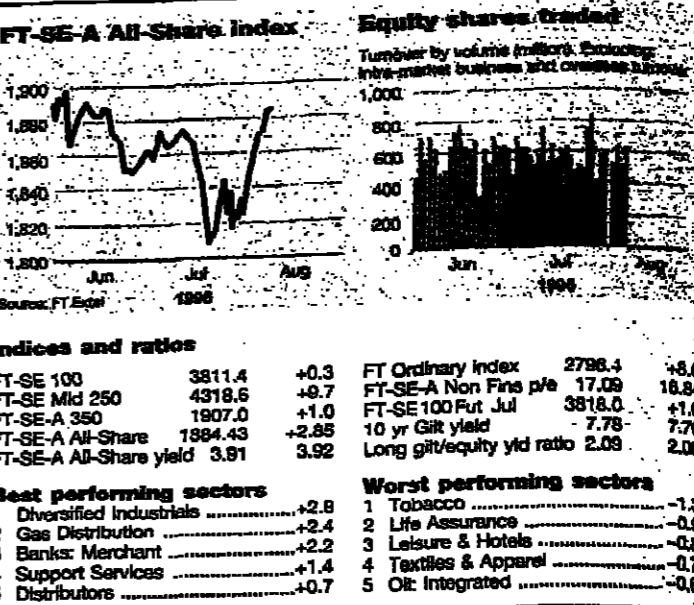


Table with columns: Index Name, Current Value, Change, Previous Value. Includes FT-SE 100, FT-SE Mid 250, FT-SE All-Share, and various sector indices.

Hanson tops the charts

Conglomerates bounced back, with a number of leading stocks moving up sharply to make some amends for a very drab recent run by the sector. Hanson, which has lagged the market by more than 20 per cent this year, stormed to first place in the Footsie performance charts and BTR and Cookson also found ready buyers. Cookson shares latched on to hopes of good news from the US book-to-bill ratio for semiconductor, long seen as a key indicator of demand trends in the electronics industry.

buoyed lately by good news on recent acquisition Gates Rubber, came off 7 to 282p. Gas rebounds British Gas, which fell precipitously earlier this year on the back of regulatory scares, clawed back above the 23 mark yesterday in the day's heaviest volume. A number of brokers have been adopting a more favourable stance on the stock lately, and yesterday sentiment was given a hefty push by a reiterated buy note from SGST. Regulator Ofgas is due to announce final price proposals for Gas's TRANSOC pipeline shares within the next two weeks. Ms Irene Himona, SGST energy analyst, feels that Ofgas's preliminary draconian rulings could well be moderated. Gas shares came down from 250p to 170p between mid-April and mid-May. Yesterday they gained 5 to 202p in turnover of 14m.

had risen in the last few days and the market may have been slightly disappointed that there had not been a substantial acquisition. However Reed's £100.5m purchase of Tolley Publishing from United News & Media was described by analysts as a rare deal - where both sides could be seen to benefit. Ms Larina Tibban of Panmure Gordon said the deal made financial sense for United, which climbed 24p to 679p. While the purchase price was not cheap for Reed, there were considerable synergistic benefits. Rentokil had another strong day, advancing 16 to 430p for a near 7 per cent gain over the last two days. The support services group puts out first half figures on August 22 and a rally ahead of a results date

ment has long been a feature of the shares' trading pattern. Brokers expect the interim to be good but difficult to interpret, given that they will include some two months trading from its £2.2m acquisition, BET. The City consensus is for profits growth of 23 per cent. "There was some speculation yesterday that Rentokil may be sharing in the market's renewed fondness for the so-called "growth stocks", as earnings among most cyclical companies start to level out. Rentokil has an enviable record, with profits growing by 20 per cent per annum for the past 14 years. "Schroders, the independent merchant bank, moved up strongly on vague takeover talk plus trading optimism ahead of next month's interim statement. Kleinwort Benson's very solid performance within the half-year returns from Dresdner Bank of Germany supplied the trading optimism. Kleinwort's pre-tax returns on equity jumped from 14.4 to 29 per cent as profits broadly doubled. "It's plainly been a good opening six months for the London-based merchant banks", said one analyst yesterday. He was more guarded on the takeover outlook for Schroders. "These rumours resurface every so often. Schroders is 48 per cent owned by family interests, and it's a thinish market to trade in", he said. The shares rose 45 to 1329p. First month's interim pulled out of takeover talks with computer rival Amstel, shot forward on the back of a new takeover story. This time the rumour mill was tipping a bid from Sharp, the Japanese electronics giant. Shares in Pison moved up

30 at the outset but eventually closed with a gain of 23 to 392p. Brokers reported that Pison had no knowledge of an approach from Sharp. Among transport shares, Mersey Docks moved up strongly after a recommendation from UBS ahead of the company's interim results later this month. The stock advanced 20p to 237p. Kleinwort Benson reiterated its positive stance on the food retailing sector, with J. Sainsbury, which dropped 5 to 396p, its least favoured stock. The broker upgraded its current year forecast for Tesco, from 275m to 274.5m, on the basis of relatively solid trading. Tesco strengthened 2 to 292p.

Table titled 'FUTURES AND OPTIONS' showing FT-SE 100 INDEX FUTURES (LIFFE) and FT-SE 100 INDEX OPTION (LIFFE) prices and changes.

Table titled 'LONDON RECENT ISSUES: EQUITIES' listing various companies like BTR, Cookson, Hanson, and their share prices and changes.

Life insurance shares, a traditionally sleepy sector, sprang into action following news of the agreed merger between United Friendly and Refuge. United Friendly, up 105 to 88p, ended at the top of the FT-SE Mid 250 rankings while hopes for further corporate activity in the sector hoisted London and Manchester 33 to 351p and Brighton 10 to 763p. Rounding off a strong showing by the sector, BTR rose 9 1/2 to 285p. Tomkins

views of the consulting actuary to the merger of the two companies so-called embedded values. The big talking point in the leisure sector was Bank Organisation, which tumbled 27 to 441p, as investors reacted negatively to the strategic review, as well as to changes to accounting policies, which resulted in pre-tax profits of £128m against £44m in the same period last year. Analysts, who revised their forecasts, were divided as to whether the restructuring would be positive in the medium to long term. One said the premium rating for the stock still overvalued the fundamental business. Shares in Reed Elsevier, the UK arm of Reed Elsevier, the Anglo-Dutch publishing group, fell 5 to 1145p after interim results in line with forecasts. Analysts said the stock

Table titled 'FINANCIAL TIMES EQUITY INDICES' showing performance of various indices like Ordinary Shares, Dividend Yield, etc.

Table titled 'FT-SE ARM' showing performance of various sectors like Chemicals, Food, etc.

Table titled 'FT GOLD MINES INDEX' showing performance of gold mining companies.

Table titled 'TRADING VOLUME' showing trading volume for various sectors and companies.

Advertisement for Pokka Corporation, U.S. \$70,000,000 2% per cent. Guaranteed Bonds due 1999. Includes details about the instrument and contact information.

Advertisement for International Bank for Reconstruction and Development (JPMorgan), Yen 50,000,000,000 Floating rate notes due 9th February 2001. Includes details about the notes and contact information.

Advertisement for Les Echos, The FT can help you reach additional business readers in France. Includes contact information for recruitment and advertising.

Advertisement for NIPPON FIRE & MARINE INSURANCE CO. LTD., EDI holders are informed of a dividend to holders of record date March 31, 1996. Includes details about the dividend and contact information.

Advertisement for NIPPON FIRE & MARINE INSURANCE CO. LTD., EDI holders are informed of a dividend to holders of record date March 31, 1996. Includes details about the dividend and contact information.

Advertisement for SHARP CORPORATION, EDI holders are informed of a dividend to holders of record date March 31, 1996. Includes details about the dividend and contact information.

Advertisement for Cassa di Risparmio di Verona Vicenza Belluno e Ancona, U.S.\$100,000,000 Floating Rate Depository Receipts Due 1999. Includes details about the receipts and contact information.

Advertisement for NIPPON FIRE & MARINE INSURANCE CO. LTD., EDI holders are informed of a dividend to holders of record date March 31, 1996. Includes details about the dividend and contact information.

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Large table titled 'FT-SE Actuarial Share Indices' and 'The UK Series' showing performance of various actuarial and UK share indices.

Advertisement for 'صكنا الاله' (Sakna al-Lah) featuring a portrait of a man and text in Arabic.

صكيات الامل

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

EUROPE
Austria (Aug 8 / Sch)
Stock market data for Austria including indices and individual stocks.

Belgium (Aug 8 / Fln)
Stock market data for Belgium including indices and individual stocks.

Germany (Aug 8 / Dm)
Stock market data for Germany including indices and individual stocks.

France (Aug 8 / Fns)
Stock market data for France including indices and individual stocks.

Italy (Aug 8 / Lit)
Stock market data for Italy including indices and individual stocks.

Spain (Aug 8 / Ptas)
Stock market data for Spain including indices and individual stocks.

UK (Aug 8 / Stp)
Stock market data for the United Kingdom including indices and individual stocks.

Switzerland (Aug 8 / Frs)
Stock market data for Switzerland including indices and individual stocks.

Sweden (Aug 8 / Kronor)
Stock market data for Sweden including indices and individual stocks.

Norway (Aug 8 / Kroner)
Stock market data for Norway including indices and individual stocks.

Denmark (Aug 8 / Dkr)
Stock market data for Denmark including indices and individual stocks.

Finland (Aug 8 / Mks)
Stock market data for Finland including indices and individual stocks.

Japan (Aug 8 / Yen)
Stock market data for Japan including indices and individual stocks.

South Korea (Aug 8 / Won)
Stock market data for South Korea including indices and individual stocks.

Taiwan (Aug 8 / Tws)
Stock market data for Taiwan including indices and individual stocks.

China (Aug 8 / Rmb)
Stock market data for China including indices and individual stocks.

Hong Kong (Aug 8 / HKD)
Stock market data for Hong Kong including indices and individual stocks.

India (Aug 8 / Rupee)
Stock market data for India including indices and individual stocks.

Indonesia (Aug 8 / Rupiah)
Stock market data for Indonesia including indices and individual stocks.

Malaysia (Aug 8 / MYR)
Stock market data for Malaysia including indices and individual stocks.

Philippines (Aug 8 / P)
Stock market data for the Philippines including indices and individual stocks.

Thailand (Aug 8 / Baht)
Stock market data for Thailand including indices and individual stocks.

Singapore (Aug 8 / S\$)
Stock market data for Singapore including indices and individual stocks.

New Zealand (Aug 8 / NZ\$)
Stock market data for New Zealand including indices and individual stocks.

Australia (Aug 8 / Aus\$)
Stock market data for Australia including indices and individual stocks.

South Africa (Aug 8 / Rand)
Stock market data for South Africa including indices and individual stocks.

Canada (Aug 8 / Can\$)
Stock market data for Canada including indices and individual stocks.

Mexico (Aug 8 / Mex\$)
Stock market data for Mexico including indices and individual stocks.

Brazil (Aug 8 / Real)
Stock market data for Brazil including indices and individual stocks.

Argentina (Aug 8 / Ptas)
Stock market data for Argentina including indices and individual stocks.

US INDICES
Dow Jones, S & P 500, NASDAQ, NYSE, etc.

EUROPEAN INDICES
DAX, CAC 40, Nikkei, etc.

ASIAN INDICES
Hang Seng, Nikkei, etc.

AFRICAN INDICES
JSE, etc.

AMERICAN INDICES
NYSE, etc.

INDEX FUTURES
S&P 500, Dow Jones, etc.

COMMODITIES
Oil, Gold, etc.

CURRENCY EXCHANGE
USD, GBP, etc.

STOCKS
Various individual stocks.

STOCKS
Various individual stocks.

Money Talks In Asia
We speak Asia's language. Peregrine is a leader in Asian corporate and project finance, direct investment and asset management. PEREGRINE

INDEX FUTURES, COMMODITIES, CURRENCY EXCHANGE, STOCKS, and other market data.

NEW YORK STOCK EXCHANGE PRICES

Main table of stock prices with columns for stock symbols, prices, and changes. Includes sections for 'NEW YORK STOCK EXCHANGE PRICES', 'NASDAQ LISTED STOCKS', and 'NASDAQ LISTED STOCKS'.

BE OUR GUEST. CIRAGAN PALACE HOTEL Kempinski Istanbul. When you stay with us in ISTANBUL stay as though with your complimentary copy of the FINANCIAL TIMES.

سكرا من الاصل

Continued on next page

NYSE PRICES

Table of NYSE stock prices including columns for stock name, price, change, and volume. Includes sub-sections for 'Continued from previous page', '- V -', '- W -', '- X - Y - Z -', and '- U -'.

NASDAQ NATIONAL MARKET

Table of NASDAQ National Market stock prices including columns for stock name, price, change, and volume. Includes sub-sections for '- L -', '- E -', '- F -', '- G -', '- H -', '- I -', '- J -', '- K -', '- L -', '- M -', '- N -', '- O -', '- P -', '- Q -', '- R -', '- S -', '- T -', '- U -', '- V -', '- W -', '- X - Y - Z -'.

AMEX PRICES

Table of AMEX stock prices including columns for stock name, price, change, and volume.

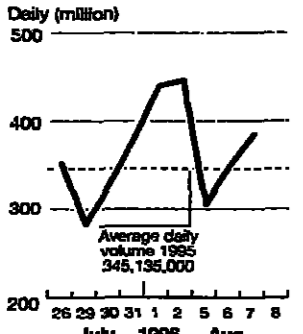
Advertisement for Norway. Text: 'Have your FT hand delivered in Norway.' Includes logo and contact information for Financial Times World Business Newspaper.

AMERICA US equities softer in midday trade

Wall Street

US shares were mostly lower at midsession as the equity market gave back some of the gains posted in the past two weeks...

NYSE volume



slipping 2.05 at 1,139.06. Since July 29, the Dow had added 284 points, and the Nasdaq 75 points as both markets regained their footing after sharp weakness in June and early July.

Caution in São Paulo

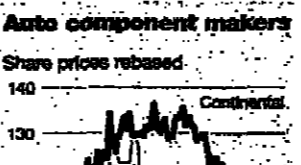
Midsession activity in the region's markets was lacking in excitement. In SAO PAULO, the market was cautious ahead of options settlement which was expected in the next week.

Rate fears hit S Africa

Rumours that there could be a rise in interest rates afflicted equity trading in Johannesburg and most shares closed the session at or near their weakest levels.

EUROPE Helsinki, Copenhagen reach new 1996 highs

Two out of the four main Nordic markets hit new 1996 highs on the day. HELSINKI on the Helsinki Stock Exchange rose 1.2% to 11,841.45...



The outstanding share price move of the day came in ABB, on a report that the Swiss arm of the multinational would distribute SFR450m to shareholders...

STOCKHOLM, meanwhile, saw the ADIRSVÄRDEN General Index up 0.6 to 1,962.7, well off its 1996 best...

ASIA PACIFIC Nikkei recovers 1.2% on gains in high-techs

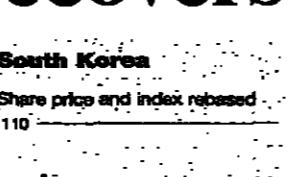
JAKARTA took profits in both large-capitalisation and second-line stocks. The JSE index edged down 5.76 to 548.18 in turnover of Rp255.5bn.

PARIS saw significant price movements from Accor, Promodes and Sommer-Allibert, among others, as the CAC-40 index added 0.68 to 1,997.42 in turnover of FF2bn.

AMSTERDAM busied itself with Elsevier, which turned in first half figures much in line with expectations. The shares moved to a session high of F126.50...

ATHENS hit a new year high of 870.56 during the day but some late buying helped to lift the market by the end of trading. The general index added 0.10 to 873.09 in turnover of DRK3.7bn.

London, the ISE/Nikkei 50 index rose 2.80 to 1402.31. Volume totalled 297m shares against 277m in Tokyo...



OSAKA, the OSE average rose 78.18 to 21,728.77 in volume of 54.2m shares. Investors, apparently, had decided that there would be no drastic policy change in the short term...

SYDNEY was supported by interest in Coca-Cola Amatil as the All Ordinaries index added 4.8 to 2,226.6 in turnover of A\$667.2m.

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Speculative stocks were actively traded by individual investors. Tokai Kogyo dropped Y9 to Y591 and Nichiboshin, the non-bank financial institution, by Y59

Roundup The partial cabinet reshuffle in South Korea had little impact on the SEOUL equity market. The composite index ended 3.17 up at 837.20...

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FT-SE Actuaries Share Indices

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ATHENS hit a new year high of 870.56 during the day but some late buying helped to lift the market by the end of trading. The general index added 0.10 to 873.09 in turnover of DRK3.7bn.

London, the ISE/Nikkei 50 index rose 2.80 to 1402.31. Volume totalled 297m shares against 277m in Tokyo...

OSAKA, the OSE average rose 78.18 to 21,728.77 in volume of 54.2m shares. Investors, apparently, had decided that there would be no drastic policy change in the short term...

SYDNEY was supported by interest in Coca-Cola Amatil as the All Ordinaries index added 4.8 to 2,226.6 in turnover of A\$667.2m.

Investors, apparently, had decided that there would be no drastic policy change in the short term. Among individual stocks, Samsung Electronics closed Won2,500 higher at Won78,800...

Speculative stocks were actively traded by individual investors. Tokai Kogyo dropped Y9 to Y591 and Nichiboshin, the non-bank financial institution, by Y59

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Large table with columns for Country, Index, and Change. Rows include Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Hong Kong, Indonesia, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, United Kingdom, USA, and World.

The World Index (2421) ... 209.77 -0.1 201.88 142.87 161.72 179.47 0.0 2.16 210.05 224.55 141.87 162.09 179.43 214.85 186.49 182.22

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